

Sept. '47

Social Security Bulletin

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Vol. 10

No. 9

Development of Federal Grant Allocations

Social Security Legislation in 1947

*Insurance Payments to Survivors of the
Texas City Disaster*

Social Security in Latin America, 1945-47

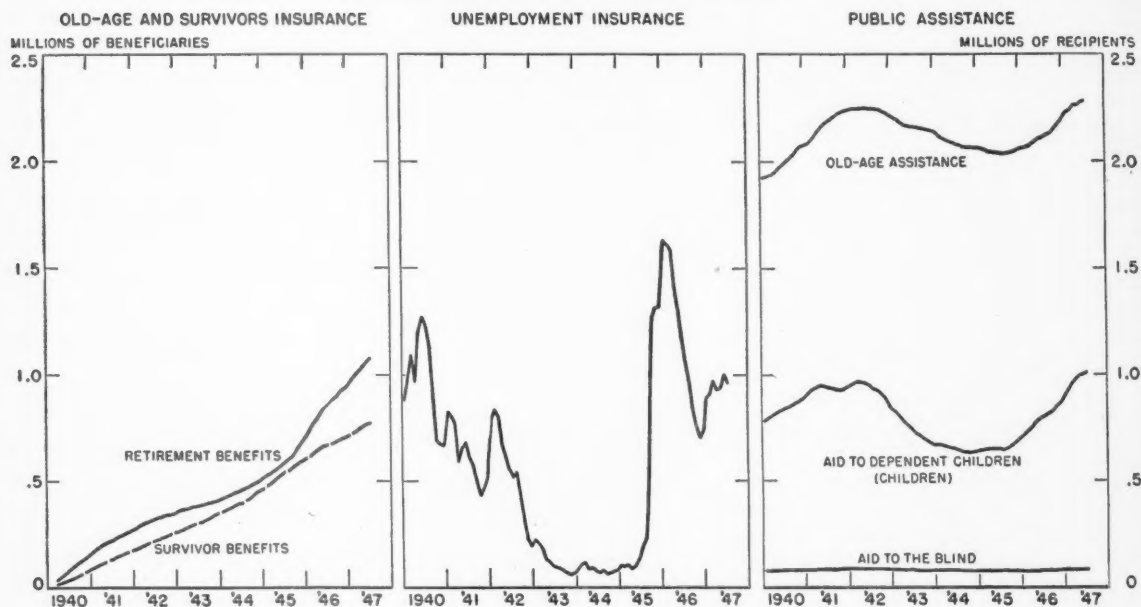
FEDERAL SECURITY AGENCY

SOCIAL SECURITY ADMINISTRATION

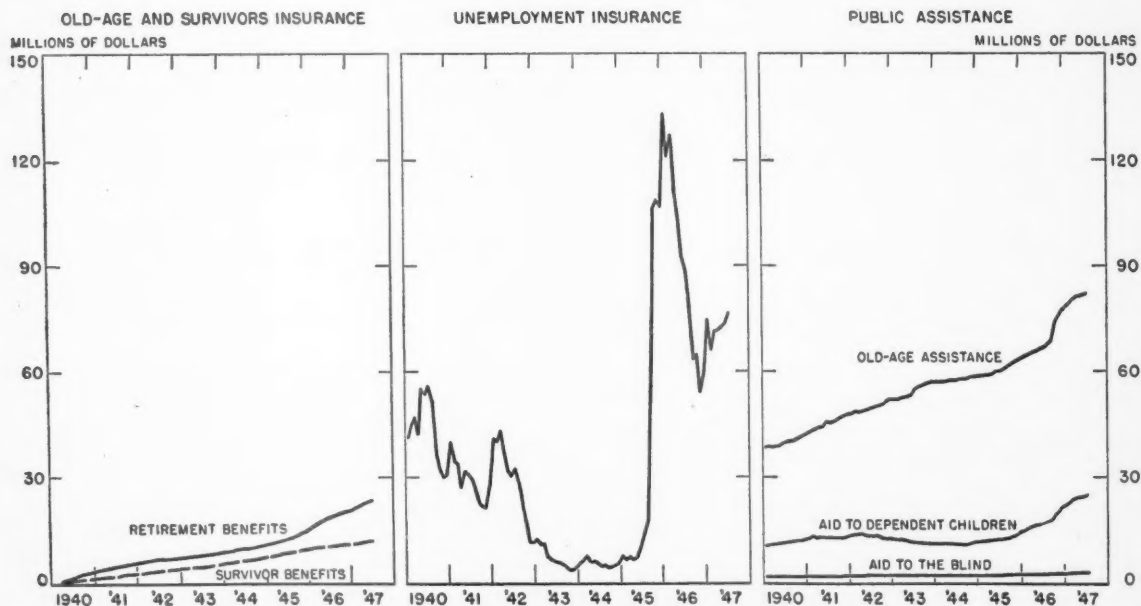
WASHINGTON, D. C.

Social Security Operations*

INDIVIDUALS RECEIVING PAYMENTS



SOCIAL SECURITY PAYMENTS



*Old-age and survivors insurance, beneficiaries actually receiving monthly benefits (current-payment status) and amount of their benefits during month; unemployment insurance, average weekly number of beneficiaries for the month and gross benefits paid during the month under all State laws; public assistance, recipients and payments under all State programs.

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Social Security in Review

The Month of August

Only minor changes in business and labor-market conditions were reported in the month of August. Prices fluctuated in a comparatively narrow range, without any marked tendency in either direction. The index of the 28 basic commodities that are most sensitive to changes in business conditions rose in the beginning of the month, then declined slightly, and again went up at the end of the month. In the index of stock prices—not very reliable as a barometer of business trends—losses prevailed over gains. Production of steel continued on a very high level—higher than in the same weeks in 1946 and 1945—but the shortage of steel sheets remained a serious bottleneck in steel-consuming industries. Production of motor vehicles fluctuated widely from week to week, with a weekly average of somewhat fewer than 90,000 cars. Since the normal annual demand for cars in this country is estimated at 4.5 million, the automobile industry at the present rate of production cannot reduce the backlog of demand accumulated during the war. In fact, the total backlog is now about as large as it was 2 years ago, and the industry envisages a long period of activity at the present or a somewhat higher level.

Though the end of its busy season was approaching, building construction showed some improvement in current volume and in the outlook for 1948. High costs of building materials and labor remained the main obstacles to meeting the housing needs of low-income families, but the stabilization of costs by the middle of the year proved to be a stimulus to the construction of more expensive dwellings.

Operations of State unemployment insurance agencies in August appeared to indicate a general improvement in work opportunities. There was a decline in all types of claims. From 224,617 in the week ended July 26, the number of initial claims fell to 138,180 in the week ended August 23. Excluding Michigan, where initial claims in the week of July 26 were particularly high, the decline was from 168,408 to 129,583. The number of waiting-period claims went down in the same 4 weeks from 129,899 to 94,516, and the number of compensable claims dropped from 1,024,014 to 931,170.

The downward trend prevailed through the whole month as shown in the following data:

Week ended—	Initial claims	Waiting-period claims	Compensable claims
July 26.....	224,617	129,899	1,024,014
August 2.....	172,921	125,721	1,002,825
August 9.....	165,533	118,186	985,372
August 16.....	148,536	113,532	952,948
August 23.....	138,180	94,516	931,170
August 30.....	141,473	88,314	898,614

Most striking is the fact that improvement was reported in all parts of the country and was especially marked in almost all industrial States.

In interpreting this encouraging trend, however, great caution is advisable. We do not yet know enough

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Number of claims for unemployment benefits in the weeks ended July 26 and August 23, 1947, in selected States

State ¹	Initial claims		Waiting-period claims		Compensable claims	
	July 26	Aug. 23	July 26	Aug. 23	July 26	Aug. 23
New York.....	38,382	31,638	39,767	27,051	211,621	191,272
California.....	22,715	19,956	10,671	8,522	141,167	120,306
Pennsylvania.....	14,039	9,027	8,281	4,694	85,749	72,511
Massachusetts.....	8,435	8,098	5,620	4,880	72,968	62,732
Illinois.....	10,096	8,403	5,229	3,738	63,866	59,606
Michigan.....	² 16,660	8,567	² 6,667	6,862	² 35,390	50,802
New Jersey.....	10,092	7,201	5,341	4,404	60,402	52,102
Ohio.....	6,416	4,089	7,900	5,700	24,300	22,500
Missouri.....	5,578	4,070	4,630	3,207	24,830	21,755
Tennessee.....	2,616	1,603	1,945	1,612	23,315	20,792

¹ States are arranged in descending order of the number of continued (waiting-period and compensable) claims in the week ended August 23.

² Week ended July 19. For week ended July 26, Michigan reported a temporary lay-off of 115,000

workers in automobile industry, which resulted in the sudden increase of almost 40,000 in initial claims. Since this lay-off was of short duration, claims did not mature to compensable status.

of the seasonal rhythm in the flow of claims for unemployment benefits to draw a clear distinction between seasonal changes and those related to business conditions. It is fairly probable that the decline in claims loads in August will be followed by an increase this autumn. The load of claims and benefits in the unemployment insurance system is still very heavy for the present level of employment in the Nation, and it should be borne in mind that price inflation is not yet checked and that many industries have not yet passed through those phases of postwar adjustment that are usually accompanied by lay-offs.

A moderate rise in unemployment by the end of the year is therefore in the realm of probability. Such a rise would not necessarily indicate a downturn in economic trends or the approach of a major depression. It could be in conformity with the economic outlook for a Nation shifting gradually from a postwar boom to the soberer pattern of an internally balanced and expanding economy.

July in Review

The July upturn in claims for unemployment insurance under State systems did not seem to indicate any real increase in the volume of unemployment throughout the country, since it corresponded closely to the relative difference in number of working days between June and July. Both the number of weeks compensated for unemployment and the

amount expended for benefits moved upward also, but relatively less than claims. In all, almost 4.4 million weeks of unemployment were compensated, at a total expenditure of \$76.7 million. The average weekly number of beneficiaries, on the other hand, went down from 1 million in June to 960,000 in July.

IN OLD-AGE AND SURVIVORS insurance, monthly benefits totaling \$35.6 million were being paid at the end of July to almost 1.9 million persons; a year earlier, more than 1.5 million beneficiaries received \$28.8 million.

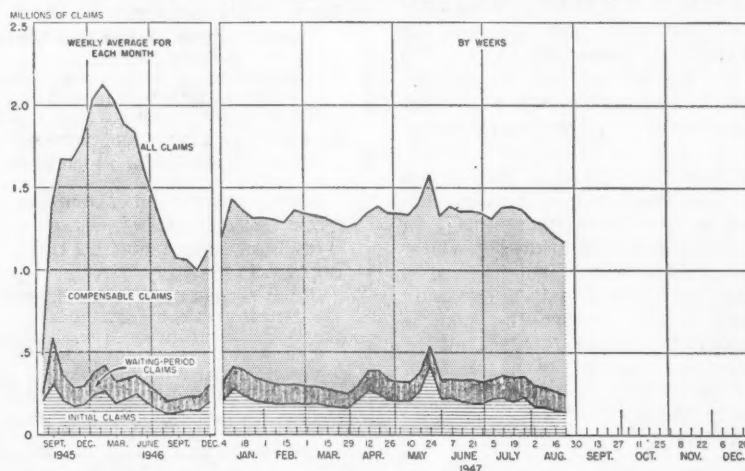
Benefits on which payments were being withheld at the end of June—most of them because the beneficiary was working in covered employment—

were slightly less as a proportion of benefits in force than in June 1946 for all types of benefit except those to widows with young children, and for this group the increase was relatively slight. At the end of July 1947, 25 percent of widow's current benefits were being withheld, as against 14 percent for all primary benefits and 11 percent for wife's benefits.

IN PUBLIC ASSISTANCE, case loads for the Nation as a whole varied only slightly from the June levels. Payments during July under the four assistance programs combined totaled some \$123 million. Among the States, however, there were pronounced changes as new appropriations became available at the beginning of the fiscal year and changes in State laws took effect. Topping the increases in case loads for the three special programs was the rise of 22 percent reported by Delaware in the number of families receiving aid to dependent children. In the other direction, July changes involved substantial reductions in both case loads and total payments in a few States; in Utah, for example, the case load for old-age assistance dropped almost 10 percent. Substantial increases in average payments occurred in July in several States, but a few other States reported considerable declines in the amount of their average payments.

(Continued on page 48)

Number of claimants for unemployment benefits, August 1945–August 23, 1947



Development of Federal Grant Allocations

By Cecile Goldberg *

THE ALLOCATION of grants among States, though not significant while Federal aids were but a small part of total government expenditures, has taken on increasing importance as the size and scope of grants-in-aid have grown. Total Federal grants to States for the fiscal year 1946-47 are estimated at more than \$1 billion, continuing a gradual upward trend. Grants for social security and related health and welfare programs constitute about 70 percent of the 1946-47 total; the other 30 percent is composed of aids for education, transportation, and the development and conservation of natural resources.

The importance of grants-in-aid was recognized by President Truman in his first Economic Report to Congress, when he pointed out that "the Federal Government is engaged in several programs of grants-in-aid to State and local governments involving large amounts of money. Further programs are planned. These programs . . . contribute greatly toward bringing all sections of the country up to the levels of productivity consistent with American standards of living." Therefore, the President reported, he had asked the Council of Economic Advisers to determine, in cooperation with other Federal agencies and State and local officials, "to what extent revised standards for the distribution of these grants may take into account more fully the needs for support that exist in various parts of the country."

The problem of the distribution of Federal grants-in-aid among States has received less attention in the past than questions of what function to aid or the proportions such aid should assume. Yet the Federal allocation influences the amount of money that a State has to spend for a particular service, which in effect determines

the level of adequacy of the program. Equally important to adequacy, of course, is the effectiveness of a program's administration, but only the nature and evolution of Federal allocation formulas are considered here.

Federal "grants-in-aid," as used here, refer to payments for cooperative programs, which are made from the Federal Treasury to State governments, including their appointed or constituent departments. Such grants have been or may be made for many and varying reasons: to stimulate new programs, to combine local control with national money-raising powers, to assure a national minimum in programs of vital interest to all, to equalize service levels and relative tax burdens of a program, to improve the combined Federal-State-local tax system, and to aid in maintaining or approaching full employment.

The purposes for which grants are made have been most important in determining the financial arrangements adopted. Often, however, the purposes have not been fully realized because the financial provisions have been poorly adapted to the objectives. Most of the earliest grants were designed to stimulate the adoption or expansion of certain State-local programs. More recently, especially since the passage of the sixteenth amendment, which empowers Congress to tax incomes, grants have been occasioned by the greater Federal fiscal powers and the growing reliance on government for various types of health and welfare services. When a national interest is recognized and when local administration has distinct merits, whether for administrative, political, or constitutional reasons, the allocation and matching techniques employed should be designed to maintain a basic minimum program without placing undue burdens on taxpayers in some States. Such techniques are particularly important in the more expensive and more essential health and welfare programs. If the Federal share in the total program is to

be fairly substantial, the most efficient and economical use of Federal aid would in many cases be a distribution that would take into account relative State-local need for and ability to finance the service—that is, an equalizing allocation and/or matching formula.

Allocation formulas cannot be considered apart from matching formulas when a matching requirement exists; it is the total level of activity effected by the operation of both formulas together that is significant. Matching funds required of the States usually bear some uniform ratio to Federal aid; for one program the matching varies with State per capita income when it falls below the national average.

Allocation formulas are of two major types, statutory and discretionary. Within either category, allocations may be based on one factor or a combination of several factors—uniform lump-sum amounts, some general or special measure of population, area, star-route postal mileage, representation in Congress, and so on. For several programs, they depend on the amount of State-local expenditures for the purpose. In a very few instances, they are based on some relatively complex measure of specific program need.

Over the years, as the State functions aided by the Federal Government have increased in number and broadened in scope, bases for the apportionment of funds among the States have also changed in character. The evolution of allocation formulas, however, has not been nearly so progressive as has the growth, both in size and purpose, of the grants themselves. Thus, although today many of the actual and proposed allocation formulas are better adapted than were earlier ones to meet varying degrees of need in the several States, large sums of money are still being distributed among the States with only approximate regard for need and, in almost every instance, with no relation to the relative abilities of States and their subdivisions to finance the services themselves.

Earliest Measures of Allocation

The earliest grants were allocated among States in the simplest manner,

* Bureau of Research and Statistics, Division of Finance and Economic Studies. This article was prepared as part of Bureau Memorandum No. 65, *The Principle of Equalization Applied to the Allocation of Grants-in-Aid*, by Byron L. Johnson.

Table 1.—Federal grants-in-aid to States by selected fiscal years, 1900–46¹

Function	Fiscal year ended June 30—					
	1900	1920	1930	1935	1940	1946
Total.....	\$2.8	\$34.0	\$100.5	\$2,196.6	577.5	\$757.9
Social security and related programs.....	.9	2.9	1.3	2.8	359.2	611.5
Public assistance.....					271.1	421.2
Employment security.....				1.3	61.7	55.7
Health and welfare.....				1.5	26.4	134.6
Education.....	1.2	4.8	10.1	12.7	24.7	34.3
Public roads.....		20.3	75.9	274.7	164.5	74.5
Natural resources.....	.8	6.0	13.2	14.5	29.1	37.5
Emergency relief and public works.....				1,891.9		

¹ From the *Annual Reports of the Secretary of the Treasury*. See the *Bulletin*, June 1947, table 8, p. 39, for definition of functional categories.

² Regular grants, excluding those for emergency relief and public works, amounted to \$304,700,000.

either in uniform amounts or in proportion to representation in Congress. The latter factor corresponds roughly to population (with some overweighting for small States) and thus is a crude measure of need.

The land grants for public schools and universities were uniform for each geographic subdivision. Those for public schools were initially one section of land out of every township, to be reserved for the maintenance of public schools within the township and to be granted to the inhabitants of the township. Later the grants were increased to two and, finally, four sections of every township. In addition, not more than two complete townships were to be given each State perpetually "for the purposes of a university," to be applied "to the intended object by the legislature of the State." Another section of every township was to be reserved "for the purposes of religion."

In 1837 the surplus above \$5 million in the United States Treasury was apportioned among the States "in proportion to their respective representation in the Senate and House of Representatives of the United States." The Morrill Act of 1862, making land grants to the States for colleges for agriculture and mechanic arts, used the same basis for apportionment. Each State was granted 30,000 acres of land or its equivalent in land scrip for each Senator and Representative in Congress to whom it was entitled by the apportionment under the census of 1860. This act was the first to aid a State function for which the Federal Government later assumed a continuing responsibility. It was also

the last of the general land grant acts.

Measures of Allocation Up to World War I

Except for the general "loan" of 1837, all grants to States until 1879 were land grants. In that year the passage of the act to aid education of the blind marked the beginning of a whole series of money grants to States under permanent legislation. From then until the First World War, though a number of Federal aid acts apportioned funds among the States in uniform amounts, distribution under some acts was made according to more refined measures of need, usually a population factor. A few acts used an entirely new basis.

Grants for manufacturing and distributing embossed books for the blind and "tangible apparatus" for their instruction, initiated in 1879,¹ were, and are now, allocated according to the number of pupils in public institutions for the education of the blind. This factor is a direct measure of the relative need for the service within each State.

Similarly, grants for homes for disabled soldiers and sailors are allocated among States on the basis of a uniform amount yearly for every inmate in such a home. The act of 1888,² initiating Federal grants for

¹ The benefits actually received by the blind under this program, however, are in kind. Federal funds go to the American Printing House for the Blind, which in turn distributes books and teaching equipment.

² The matching provision was incorporated in the appropriation act for the fiscal year 1890.

this function, provided for an annual payment of \$100 for each inmate. An early amendment set a historical precedent in that it was the first to require the States to match Federal funds with a similar amount. This principle of State matching has since become almost universal. Federal aid for homes for disabled soldiers and sailors was subsequently increased and since 1943 has been \$300 a year for each inmate.

The bulk of the grants during this period, however, consisted of uniform lump-sum allotments to States. No doubt a certain minimum sum is needed to provide the basic organization required in any State to perform the aided function, but such an allocation does not adequately measure each State's total need for a particular service. As an example of the lump-sum allotment, the Hatch Act of 1887, to aid in financing agricultural experiment stations, provided that each State receive annually \$15,000 for this function; an additional \$15,000 annually was authorized by the Adams Act of 1906. The second Morrill Act, passed in 1890, provided for a grant of \$25,000 annually to each State for the agriculture and mechanic arts colleges established pursuant to the land grants of 1862 for this purpose; and the Nelson amendment of 1907 increased this sum by another \$25,000 a year.

The first discretionary grant was authorized by the Weeks Act in 1911 for the purpose of cooperating with States in preventing and fighting forest fires along watersheds of navigable streams. The Secretary of Agriculture was empowered to enter into cooperative agreements on such conditions as he deemed wise, provided that each Federal allotment was matched by a similar amount from State and local funds.

Annual Federal grants for the maintenance and support of State and municipal marine schools, started in 1911, introduced the first "open-end" or indefinite matching grant. An open-end grant sets no specific limit on the amount authorized and carries the implication that the Federal Government will advance or reimburse all or some stated portion of State (and local) expenditures for the program and that a Federal deficiency appro-

priation will be made if necessary. In their more usual form, open-end grants offer Federal aid within some indefinite, but implicit, limit. In the case of the grants for marine schools the amount of the Federal grant was not specified except that the sums expended by States or municipalities would be matched dollar for dollar with a maximum grant of \$25,000 per school. This grant was thus logically a forerunner of the arrangement adopted for public assistance financing in the Social Security Act.

A deviation from the consistent use of lump-sum apportionments for agricultural education came with the passage of the Smith-Lever Act in 1914. This act, giving Federal aid for agricultural extension work, provided for the distribution of a large amount on the basis of rural population, to be matched dollar for dollar by State funds, as well as a much smaller sum in uniform lump-sum allotments.

Allocation Measures From World War I Until the Depression

The Federal-aid highway program, in addition to being the first really significant grant-in-aid program from a fiscal point of view, departed markedly from the traditional closed-allocation formulas. The Federal Aid Road Act of 1916 for aid in the construction of rural post roads laid down the basis for subsequent highway allocation formulas. Three factors were specified for use in the allocation of funds among States—area, population, and rural and star-route postal mileage—and all three were given equal weight. A limitation was placed on the formula, however, in that aid could not exceed \$10,000 per mile of road constructed. Dollar-for-dollar matching of Federal funds by State funds was required.

Except for highway grants, the other new or increased grants in this period tended to use lump-sum allotments or some general or specific population factor. At least one act permitted discretionary allocation. The matching principle became generally accepted during this period.

With the passage of the Smith-Hughes Act in 1917, Federal aid in the form of annual grants was extended to a new function—vocational education.

Funds for the various major groups of vocational subjects to be aided were, and still are, allocated among States according to some measure of population. Under this act, Federal grants for salaries of teachers, supervisors, and directors of courses in agricultural subjects are allocated on the basis of rural population; for courses in trade, home economics, and industrial subjects, on the basis of urban population; and for the preparation of teachers of vocational education subjects, on the basis of total population. For each category, the minimum annual allotment to a State was originally \$5,000 but was increased eventually to \$10,000. All Federal aid must be matched dollar for dollar by State and local funds.

Additional annual appropriations were authorized in 1929 for salaries of teachers, supervisors, and directors of agricultural subjects and of home economics. Funds for the former are allocated among States on the basis of farm population alone and for the latter on the basis of rural population; 50-50 matching is required for both. The use of farm rather than rural population as a base for the allocation of funds for agricultural subjects represents an effort to relate the distribution formula more closely to the population group to be served. The separation for allotment purposes of home economics from its earlier linkage with trade and industrial subjects appears to indicate a desire on the part of Congress to aid home economics departments in rural rather than urban schools. Further legislative refinements along these lines were made later, together with additional appropriations, and will be discussed below.

Closely allied to the grant program for vocational education is that for vocational rehabilitation, started in 1920. The Vocational Rehabilitation Act of that year provided grants to States for the vocational rehabilitation of persons disabled in industry and for their placement in employment. These grants are allocated among the States according to population, with a minimum allotment in any year of \$5,000 to a State and a requirement of 50-50 matching by the State. A subsequent additional appropriation, first made in 1930, fol-

lows the same pattern except that the minimum allotment under that appropriation is \$10,000.

Certain health functions received Federal aid for the first time during this period. A deficiency appropriation in 1916 started a series of small grants for special studies and demonstration work in rural sanitation. States requesting demonstrations had to agree to pay half the costs. The Chamberlain-Kahn Act of 1918 made appropriations for 2 fiscal years for the prevention and control of venereal diseases. Federal funds were distributed among the States on the basis of population, and in the second year the allotments had to be matched equally from State funds. The Sheppard-Towner Act of 1921, which provided funds for the promotion of the welfare and hygiene of mothers and infants for a period of 6 years (later extended another 2 years), heralded the entrance of the Federal Government into the field of maternal and infant health. These funds were distributed among States partly on a uniform lump-sum basis and partly according to population; \$5,000 of each State's lump-sum allotments and the total population allotments carried a requirement of equal State matching.

During this period also, the Federal Government increased its grants for several Federal-State functions already established: education of the blind, State homes for disabled soldiers and sailors, highways, agricultural experiment stations, and extension work. Each additional grant was allocated among the States on the same basis as its predecessors, though minor changes were made in the highway grants.

The 1921 Highway Act brought the 1916 allocation formula into basic legislation ("section 21") for the interstate and intrastate Federal-aid highway system. The major modification of the formula at that time was an increase in the Federal percentage (normally 50 percent) for States containing unappropriated public lands exceeding 5 percent of their total area. In these States the Federal share was increased by one-half the percentage that the area of such lands is of the total area of the State. The maximum

Federal aid per mile was also increased, and in the cases just mentioned this maximum was further raised in proportion to the increase in the percent of Federal aid granted.

A Federal grant was made by the Clarke-McNary Act of 1924 for cooperative farm forestry and forest-fire prevention. The funds were to be used at the discretion of the Secretary of Agriculture, who was again empowered to enter into cooperative agreements with State officials. Federal aid had to be matched by an equal amount of State funds.

Measures of Allocation During the 1930's

The depression and the resulting changes in the role of government caused a tremendous expansion in Federal grants to States, both as to functions covered and the amounts of money involved. The urgencies of the day focused greater attention than previously on the problem of distribution of these large sums of money. Consequently, many of the allocation formulas written into legislation or adopted by administrative interpretation of general statutory language were more complex than the earlier ones, largely because of the effort to measure need more accurately. The first active recognition of the principle of equalization came in this period. Certain of the existing formulas were changed somewhat to adapt them better to the ends sought. At the same time, however, many old formulas with their less exact measures of need were repeated in new legislation.

Relief, public works, and employment office acts.—The first of the depression grants came with the Emergency Relief and Construction Act of 1932 to relieve destitution, broaden the lending powers of the Reconstruction Finance Corporation, and create employment. To accomplish part of this objective, \$120 million in Federal aid was appropriated for highway construction work, to be distributed according to the section 21 formula ($\frac{1}{3}$ area, $\frac{1}{3}$ population, and $\frac{1}{3}$ post-road mileage). The amounts apportioned to the States were available as a temporary advance and could be used by the States to match their regular Federal-aid apportion-

ments. These amounts were to be reimbursed, however, beginning with the fiscal year 1938, by annual deductions from the regular allotments.

Subsequent highway-aid legislation, designed to increase employment through emergency construction, did alter the distribution formula, however. Grants for this purpose under the National Industrial Recovery Act of 1933, the Hayden-Cartwright Act of 1934, and the Emergency Relief Appropriation Act of 1935 provided for the apportionment of seven-eighths of the funds for the Federal-aid highway system according to the usual formula; the other one-eighth was allocated on the basis of population. This, in effect, gave the population factor the greater weight of $\frac{19}{24}$, as compared with weights of $\frac{7}{24}$ for area and for post-road mileage. This adjustment in the formula channeled more of the highway aid into the most populous States, where the unemployment problem was more acute. Matching was dispensed with during this emergency period.

The 1935 Emergency Relief Appropriation Act also gave Federal aid for the elimination of hazards at grade crossings. The distribution of these funds was based on an adaptation of the highway-aid formula. One-half of the funds was distributed according to the population, $\frac{1}{4}$ according to mileage on the Federal-aid highway system, and $\frac{1}{4}$ according to railroad mileage (instead of area). No State matching was required.

To supplement the normal Federal aid functions, enormous grants were made at this time for public works and direct relief. The Emergency Relief and Construction Act of 1932 had provided that the Reconstruction Finance Corporation might make "self-liquidating" loans to State and local governments to aid them in providing necessary relief. This device, intended to stimulate State-local expenditures, did not prove effective and was soon replaced by grants. The Federal Emergency Relief Act of 1933 authorized grants of \$500 million for relief. Half of these grants could be used to reimburse one-third of the expenditures of State and local governmental units for relief; the remainder was to be used

when the funds available within a State from all sources, including Federal, were found to be less than estimated relief needs. Not more than 15 percent of the total Federal appropriation under this act could go to any one State.

From the date of this act through the fall of 1937, when the grant programs under the Social Security Act were in virtually full operation, Congress authorized more than \$3 billion for relief purposes through the medium of the Federal Emergency Relief Administration. (Another \$3 billion was expended directly rather than through grants in 1936 and 1937 by the Works Progress Administration.) These grants deserve close interest because of their size and the various methods of allocation used. It was left to the discretion of the Administrator of the FERA to distribute most of the funds among the States, and the traditional matching requirement was waived in most cases.

According to one authority, the 1933 legislation was the product of a compromise between two schools of thought in Congress.³ One, fearing the use of discretion by an administrative official, wanted to write the allocation formula and matching provisions into the law. This group felt that the matching approach was desirable because it "gave more to those States with the greater expenditures, or 'need'." The other group believed that State expenditures did not necessarily represent an accurate measurement of need and that reimbursement would only increase the inequity, since the States spending the most would receive the most. This school held out for administrative discretion in the disposal of the funds.

Before the first year was out, all relief grants were made on a discretionary basis; later grants did not include matching provisions, on the ground that 50-50 matching defeated the principle of equalization and was ill adapted to the exigencies of the relief situation of 1933-35. The activities of the FERA represented the first attempt by the Federal Government to distribute funds on a "variable grant" basis.

³ E. A. Williams, *Federal Aid for Relief*, 1939.

From the end of 1933 through the first half of 1934, grants were made on the basis of statements submitted by the State officials on relief needs, State and local funds available, and the amount of Federal funds needed. This basis was abandoned in the fall of 1934 as being too subjective. Then, mathematical formulas were worked out to determine the relative ability of a State to finance a share of the program. To ensure that each State was making the same effort and bearing the same burden, quotas were worked out on the basis of various series of economic data, including measures of State production, sales, income, wealth, bank deposits, population, tax collections, governmental receipts and expenditures, and assessment ratios. Four tentative quotas were computed from these data, and a fifth was devised to take into account some factors that could not be measured, such as restrictions on taxation and indebtedness and local attitudes. The final quotas were used as a basis for negotiation between the States and the Administrator. This method resulted in great divergences among the States in the Federal Government's share in the relief programs.

An approach to the problem of unemployment through placement of unemployed workers eventuated in grants to States for the establishment and maintenance of public employment offices. The Wagner-Peyser Act of 1933 set up in the Department of Labor a United States Employment Service, which was empowered to make grants of money to States over a 5-year period. At least 75 percent of the funds had to be allocated on the basis of total population, and all Federal aid had to be matched by a similar amount of State and local funds together; furthermore, at least 25 percent of the population allotment, and not less than \$5,000 in any event, must be from State funds alone. The act was amended in 1935 to require a minimum grant to each State of \$10,000 annually.

During this emergency period, the work relief, highway, and public employment office grants were also supplemented by grants for general public works. The National Industrial Recovery Act of 1933, in addition to

making grants for highway construction projects, allowed a large sum for public works. The Emergency Relief and Construction Act of 1932 had authorized "loans" from the Reconstruction Finance Corporation to States and localities, but title II of NIRA initiated the extension of grants in the field of general public works. The Federal Emergency Administration of Public Works, created by title II, operated Federal projects and administered grants and loans for State and local public works projects. Additional funds for this purpose were authorized by the 1935 Emergency Relief Appropriation Act.

PWA allotments were not lump-sum grants distributed annually among the States on any quota system based on population or any of the usual standards of previous Federal allotments.⁴ Funds for each project were applied for directly by the governmental unit undertaking it, and each project was judged on the basis of its own soundness from the legal, engineering, and financial points of view. Although no quota system was established, serious consideration was given to criteria which might be useful in determining need for Federal aid and making allotments. The main factors considered were population, unemployment, amount of relief expenditures, number of families being given assistance, per capita Federal revenues by States and regions, and area. None of these factors, it was felt, reflected adequately the need for public works. Instead of a completely objective formula, rough quotas were worked out by giving a weight of $\frac{3}{4}$ to population and of $\frac{1}{4}$ to the estimated number of unemployed. These were used merely as a guide to prevent concentration of funds in a few States.

The legislative maximum for Federal aid was 30 percent of the cost of labor and materials on each project. There was some consideration of varying the percentage and employing the maximum as a reward for economical expenditure; in the end, however, a uniform ratio prevailed. The maximum was raised to 45 percent in 1935, and since this percentage pertained to

the total cost of the project and not merely to labor and materials, the Federal share was thus virtually doubled.

The Social Security Act.—These temporary depression measures were eventually superseded by a long-range approach to the problem of unemployment and economic security. With the passage of the Social Security Act in 1935, several new types of grants were adopted. By far the most significant of these were the grants for the three public assistance programs, which put the open-end matching grant into use on a large scale. The grants are open-end in the sense that there is no maximum on the total Federal aid authorized and in that Federal aid will match all reimbursable. State-local expenditures. There are maximums, however, on the Federal aid per individual recipient per month.

Federal aid for old-age assistance and for aid to the blind, under the original act, was limited to 50 percent of the payments, up to a Federal-State total of \$30 a month per recipient. An additional 5 percent of the total amount granted for assistance payments was provided for use in financing the costs of administration, or payments to individuals, or both. Federal grants for aid to dependent children were $33\frac{1}{3}$ percent of the expenditures for assistance, up to a monthly total of \$18 for the first child and \$12 for each additional child in the same home.

These provisions were liberalized somewhat by the 1939 amendments to the Social Security Act. The maximum Federal aid per recipient per month was changed from \$15 to \$20 in both the old-age assistance and aid to the blind programs. In aid to dependent children, the Federal share was increased to 50 percent of the payments up to \$18 for the first child and \$12 for each additional child in the same household. The legislation also changed grants for administrative costs for aid to the blind to 50 percent of the expenditures by States and localities for this purpose.

The 1935 act also created an unemployment insurance program on a Federal-State basis and provided for payments to the States to cover 100

⁴ Juanita K. Williams, *Grants-In-Aid under the Public Works Administration*, 1939, chapter 4.

percent of the cost of the "proper and efficient" administration of the State unemployment insurance laws.

The Social Security Act also established the present three grant-in-aid programs of the Children's Bureau—maternal and child health, crippled children, and child welfare services. Under the 1935 provisions, grants for maternal and child health services totaled \$3.8 million annually. This total was divided into two funds: Fund A provided \$1 million to be allotted among States in uniform lump-sum grants of \$20,000 and \$1.8 million on the basis of the number of live births, and Fund B provided \$980,000 to be allotted according to financial need, as determined by the Secretary of Labor, after taking into consideration the number of live births in each State. The Fund A allotments had to be matched by an equal amount from State and local funds, but no matching was required for Fund B allotments.

Grants for services for crippled children totaled \$2,850,000 annually under the 1935 act, of which \$20,000 went to each State and the remainder was allocated on the basis of need as determined by the Secretary of Labor, after consideration of the number of crippled children in each State who needed the services and the cost of furnishing such services to them. The entire grant for this purpose had to be matched by a similar amount from State and local funds.

The original grants for child welfare services amounted to \$1.5 million annually, \$10,000 to be allocated to each State and the remainder to be allotted on the basis of State plans, except that each State's share was not to exceed its proportion of the total rural population. No matching percentage was mentioned, but it was specified that the grant was to be for payment of part of the cost of these services.

The 1939 amendments to the Social Security Act increased the appropriations for these grants. For maternal and child health, the sum to be allotted on the basis of live births was increased from \$1.8 million to \$2.8 million, and the financial-need portion was raised from \$980,000 to \$1,980,000. Grants for services to

crippled children were increased from \$2,850,000 to \$3,870,000. In addition to the previous uniform allotment of \$20,000 to each State, \$1,830,000 was provided for allotment on the basis of need, and both amounts were to be matched (Fund A). An additional \$1 million was authorized, with no matching requirement (Fund B), to be allocated on the basis of the financial need of each State for assistance in carrying out its plan. The Secretary of Labor was given discretionary powers for allocating these funds, after taking into consideration the number of crippled children in need of the services and the cost of furnishing such services to them; these two factors were the same as those in the other (Fund A) allocation made according to need. Grants authorized for child welfare services were increased by \$10,000 because of the extension of the title to Puerto Rico.

The unmatched grants made by the Children's Bureau on the basis of financial need are allotted by administrative discretion. For maternal and child health, the Bureau in the past has used formulas that have taken into account the number of live births in each State, sparsity of population, excess infant and maternal mortality, and the continuance of special projects initiated during earlier years. The Fund B allotments for services to crippled children have been made according to a detailed set of formulas, based on the following factors: the number of crippled children in need of such services, the cost of furnishing services to them, per capita income, sparsity of population, cases of poliomyelitis, deaths of children from heart disease, number of crippled children on State registers, special programs for care and treatment of children with rheumatic fever or heart disease, and other bases of special needs. In the case of both grants, the factors have been weighted and have been changed from time to time, as have the weighting ratios. As of July 1, 1947, the Children's Bureau began using a simple equalization formula for Fund B apportionments.

The 1935 Social Security Act also contained provisions regarding grant-in-aid programs for vocational

rehabilitation and for public health work.* The new funds for vocational rehabilitation were allocated among States in the manner provided by the 1920 act, as amended—that is, on the basis of population, with a minimum allotment of \$10,000 and with the allotments dependent on equal State-local matching. The 1939 amendments increased the total grant from \$1.9 million to \$3.5 million and the minimum allotment per State from \$10,000 to \$20,000. Hawaii was granted \$5,000 for this purpose in 1935, and this sum was raised to \$15,000 in 1939.

Grants for public health work amounted to \$8 million annually, to be allotted to States on the basis of population, special health problems, and financial needs. No matching requirement was included. The amount was raised to \$11 million by the 1939 amendments, but the bases for apportionment were kept intact. The interpretation of these bases is discretionary under the law, and the percentage weighting of the three factors, as well as the series used to reflect the latter two, has varied from time to time. The U. S. Public Health Service issues annual regulations on the required amount of State-local matching of Federal funds.

Though by far the largest grant-in-aid programs of the thirties, whether emergency or permanent, dealt with the problems of unemployment, public works, welfare, and health, there were numerous changes in or additions to the older grant-in-aid programs. These included vocational education, agricultural extension work, agricultural experiment stations, and colleges of agriculture and mechanic arts. There were also changes in a few new small programs created by Congress—farm forestry, wildlife restoration, and venereal disease control.

Other grant legislation of the 1930's.—The George-Elzey Vocational Education Act of 1934 made additional grants for agricultural,

* Later, title VI, relating to grants to States for public health, and title V, part 4, relating to grants to States for vocational rehabilitation, were deleted from the Social Security Act because of enactment of other legislation in these fields. See pp. 9 and 10.

home economics, and trade and industrial subjects of \$1 million for each category for each of the 3 fiscal years 1935-37. Grants for the first two were allocated on the same basis as those of 1929—farm population and rural population, respectively. The distinction made in that year in separating home economics allotments from the category of trade and industrial subjects was here carried one step further. Trade and industrial subjects were established as a separate category by this act, with allocations made on the basis of nonfarm population. Minimum allotments to a State for any 1 year were \$5,000 for each category, and equal State-local matching of all funds was required.

The George-Deen Act of 1936 authorized a permanent annual appropriation of more than \$14 million for grants for vocational education. Allocations for agricultural, home economics, and trade and industrial subjects followed the pattern of the George-Ellzey Act. In addition, grants were provided for courses in subjects dealing with distributive occupations and for the preparation of teachers for all aided subjects. These new grants were allocated on the basis of total population. Minimum allotments varied with the size of the grant to be allocated. This act also carried with it a new type of matching provision, a "ratchet" provision designed to increase the States' share in the total program over the years by gradually increasing the percentage of Federal funds requiring matching.

The rural population base and matching requirement tradition of grants for agricultural extension work were modified by a 1935 authorization of \$1 million for 1 year for additional cooperative extension work and the employment of specialists in economics and marketing. These funds were to be allocated at the discretion of the Secretary of Agriculture, and no matching was called for. The Bankhead-Jones Act of 1935 reverted to the lump-sum and population allocations, but this time farm population was used as a base, and the act again waived the matching requirement. The smaller authorization of 1939 was another discretionary grant with no matching requirement.

The allocation of grants for agricultural experiment stations, hitherto on a uniform lump-sum basis, was changed in the case of the additional grants authorized by the Bankhead-Jones Act. The new funds for research into basic laws and principles relating to agriculture, especially methods of production, distribution, and extension of markets, are allocated among States according to rural population; equal State matching of these funds is required.

Similarly, the Bankhead-Jones Act broke the tradition of lump-sum allotments for grants for agriculture and mechanic arts colleges. The additional funds authorized by this act included not only a \$20,000 uniform lump-sum allotment to each State but also a considerable sum to be distributed according to total population. No matching was required, however.

Of the other grant legislation during the 1930's, grants for cooperative farm forestry were on a discretionary basis with no matching of funds required; additional funds for education of the blind followed the established formula; and grants for venereal disease control were on the usual public health basis, substituting "the extent of the venereal disease problem" for the more general "special health problems" factor. Receipts from Federal taxes on firearms, shells, and cartridges were granted to States for wildlife restoration and allocated one-half according to area and one-half on the basis of the number of holders of paid hunting licenses in each State; the minimum allotment to any State was fixed at \$15,000 a year, provided the State spends \$5,000 from its own sources. One-third of the Federal allotment must be matched in full by State funds.

Grants During World War II

The emergency period of defense and war brought Federal aid to some new functions and some further changes in allocation and matching provisions as new grants were made to several of the established Federal aid functions. Some of the peacetime functions were geared to wartime exigencies.

Vocational education grants, for example, were extended in 1940 to

the training of defense workers. The first authorization of this nature was for courses of less than college grade in occupations essential to national defense. Grants to States were made in the amount of the cost of such courses, pursuant to plans approved by the Commissioner of Education, with the Federal Government bearing the main financial burden. Later authorizations extended the purposes to include engineering courses of college grade, courses for designated rural and nonrural youth, courses for youth under the National Youth Administration, and equipment.

Grants for marine schools were liberalized in 1941; the Federal Government continued to match sums spent by States and municipalities, but the maximum grant was raised to \$50,000. To receive the additional money (over the old maximum grant of \$25,000) the schools must admit out-of-State students on terms prescribed by the Maritime Commission; the per capita costs of such students are paid from Federal funds.

As an agricultural parallel to these two training programs, grants were extended to States in 1943 to provide needed farm labor. These grants were allocated on the basis of the Food Production and Distribution Administrator's determination of need and were funneled through the agricultural extension services of the land grant colleges. No matching was required.

The Vocational Rehabilitation Act Amendments of 1943 greatly expanded the program in terms both of amounts available for expenditure and of coverage and made special provision for war-disabled civilians. The population apportionments were abandoned at this time, and the formula was remodeled somewhat on the public assistance basis of uniform Federal matching of State-local expenditures. The amount authorized yearly is the sum that shall be necessary. On the basis of State plans, the Federal Government pays to each State all the necessary cost of payments to war-disabled civilians; one-half the cost of rehabilitation and medical examinations; one-half the cost of rehabilitation services for disabled persons, other than war-disabled civilians, who are needy; and 100 percent

of the cost of proper and efficient administration of the plan. If during the first 2 years under the new law the Federal Security Administrator found that a State had "substantially exhausted" its funds available for these expenditures, he had power to increase the amounts payable to the State before July 1, 1945. Thus, the States were encouraged to establish and expand these services. These grants would appear, from the wording of the act, to be open-end in that there is no dollar limit to the amount of Federal aid beyond the amount of approved local expenditures. The Comptroller General recently stated his opinion, however, that "there is no legal obligation on the Federal Government to make payments to the States unless and until the Congress makes money available for said purpose" and that when the amount thought to be necessary is appropriated each year, it constitutes the total cost to the Federal Government for that year. What the effect of the antideficiency laws and the Comptroller General's opinion will be on this and other so-called open-end grant programs remains to be seen.

Another emergency program was reestablished with the authorization in 1944 of additional funds for forest-fire prevention, this time especially in critical areas of national importance. The grant was \$1 million annually during the existing emergency, to be allocated at the discretion of the Secretary of Agriculture, with no State matching requirement.

The rest of the new wartime grants were for health and highways. One large new program not written into permanent law is that for emergency maternity and infant care. Because of the success of a demonstration program in Washington State, financed by the Children's Bureau, funds were authorized in 1943 for a Nation-wide program under a general appropriation act as an extension of the maternal and child health program under the Social Security Act. Originally designed for the care of wives and infants of enlisted men in the lowest four grades, the emergency program was extended for a 3-month period later in 1943 to cover those of all enlisted men, in-

cluding the three higher grades. The allocation of these funds among States is discretionary, and they are used to pay the entire cost of the services, within the limits per case set by regulation.

The Public Health Service Act of 1944 revised and extended the public health program and repealed title VI of the Social Security Act pertaining to public health. Grants covered by the new act are for general public health services and the prevention, treatment, and control of venereal diseases and tuberculosis. All three grants are allocated among States on the basis of (1) population; (2) the size of special health problems, the venereal disease problem, and the tuberculosis problem, respectively; and (3) financial need. State matching of Federal aid is determined by regulation rather than by statute. According to the U. S. Public Health Service regulations promulgated July 12, 1946, the State must match at least 50 percent of the Federal grants for the general public health and venereal disease control programs and 100 percent of the Federal grant for the tuberculosis control program.

The Defense Highway Act of 1941, authorizing aid for the construction, during the national emergency, of roads needed for national defense on the "strategic network of highways" approved by the Secretary of War, made grants for five separate categories. Grants for critical deficiencies in highways and bridges on the strategic network were allocated half according to section 21 of the 1921 act, with the Federal Government's maximum share in the total program set at 75 percent, and half on a discretionary basis with no matching requirement. Grants for engineering surveys on the strategic network were allocated according to section 21 and had to be matched equally by the States. Funds for access roads to military and defense establishments and for flight strips were also allocated on a discretionary basis, but no State matching was required for these.

Toward the end of the war, this act was followed by the Federal Highway Act of 1944 for the postwar construction of highways and bridges, grade-crossing elimination, and the

preparation of such plans. Grants amounting to \$500 million a year for 3 successive postwar years were authorized, to be matched in full by State-local funds. Some refinements made in the allocation formula represent a compromise between urban and rural interests. The section 21 formula is retained for the allocation of funds for Federal-aid interstate highways and is only slightly modified by the substitution of rural population for total population in the distribution of one-third of the funds for secondary and feeder roads. The more important innovation is in the appropriation for highways in urban areas; these funds are to be allocated among States on the basis of the population in urban areas of 5,000 or more in each State. Future Federal highway grant legislation will indicate whether the act of 1944 is a significant modification of the traditional formula of section 21, or a temporary compromise giving supplementary grants to urban areas for the alleviation of their present traffic problems.

A few months before the passage of the postwar highway act, advances to State and local governments for planning public works were authorized under the War Mobilization and Reconversion Act. They were not ordinary grants-in-aid, but rather loans and advances, to be repaid when the actual construction was undertaken. They followed, however, an allotment procedure similar to that for some grants: 90 percent of the sums appropriated were to be allotted according to population and 10 percent at the discretion of the Federal Works Administrator.

Grant Actions of the Seventy-ninth Congress

The Seventy-ninth Congress passed several major pieces of grant-in-aid legislation, and its committees considered a great many more. In addition, Congress gave much attention to bills proposing systems of equalization ("variable") grants and, though rejecting most of the far-reaching proposals for change in existing formulas, it enacted the first grant-in-aid law to spell out in detail an equalization formula (the School Lunch

Act). Equalization formulas are "variable" in that allocation and matching vary directly with need and inversely with fiscal ability.

New grant legislation in 1945 for agricultural extension work, like the Bankhead-Jones Act of 1935, substituted farm population for the old rural population base for the allocation of the great bulk of the new funds. A smaller sum of \$500,000, however, is distributed on an entirely new set of factors: the allocation is based on "special needs due to population characteristics, area in relation to farm population, or other special problems," as determined by the Secretary of Agriculture. Not more than 10 percent of the sum shall be allotted to any one State for any 1 year. These discretionary allotments must be matched by an equal amount of State funds, while those based on farm population need not be matched.

The Federal Airport Act, to provide Federal aid for the development of public airports, extended grants to a new function. This program has much in common with that for highway aid, particularly with regard to financial arrangements. The act authorizes \$500 million for a 7-year program; of each annual appropriation, 75 percent of the amount available for grants for projects within States must be apportioned among the States—one-half according to population and one-half according to area. These amounts are available to pay the Federal share of approved projects, which shall be 50 percent of the allowable costs for class 3 or smaller airports and such portion, not exceeding 50 percent, as the Administrator of Civil Aeronautics may deem appropriate for class 4 or larger airports. The remaining 25 percent of the annual sum available for grants constitutes a discretionary fund that may be used to pay the Federal share in approved projects that the Administrator finds appropriate for carrying out the national airport plan, regardless of the States in which they are located. These moneys may also be used to pay the Federal share for projects in national parks and recreation areas, national monuments, and national forests. The Federal share for projects in Alaska shall be not less than

50 percent for class 3 or smaller airports and not more than 75 percent in any case. There is also a public land provision similar to that in the highway program. Specifically, the maximum Federal share may be increased by whichever is smaller: (1) 25 percent, or (2) a percentage equal to one-half the percentage that the area of unappropriated and unreserved public lands and nontaxable Indian lands, where they exceed 5 percent of the area of the State, is of its total area.

The National School Lunch Act, passed toward the end of the second session of the Seventy-ninth Congress, contains an equalization (variable grant) formula in that the distribution of Federal funds varies directly with a State's need for the program and inversely with the ability of a State and its localities to finance the program. Furthermore, in the States that have per capita incomes below the national average, the required rate of non-Federal matching of Federal funds also varies directly with State fiscal ability.

Specifically, the funds available for grants are apportioned among the States in the proportion that each State's index of need is of the total of such indexes. The index of need for each State is determined by multiplying the State's population aged 5 through 17 by the ratio of per capita income in the United States to per capita income in that State. Thus, the smaller the per capita income of the State the greater the weight applied to the school-age population.

The matching requirement in this act is another example of a "ratchet" provision, designed progressively to lessen the relative Federal share in the total program over the years. From 1947 through 1950, every Federal dollar must be matched by \$1 from sources within the State; from 1951 through 1955, by \$1.50; and thereafter, by \$3. The matching required for a State whose per capita income is below that of the United States average is decreased by the percent by which the State per capita income falls below the average.

As a result of the combined operation of the allotment formula and variable matching, the total funds per child from all sources will be progres-

sively greater among successively lower-income States, if all States match in full their Federal allotments. Furthermore, for States below the national average in per capita income, the relative Federal share in the total program is progressively greater among successively lower-income States.

In July 1946 the Public Health Service Act was further amended by the inclusion of a section establishing grants for improvement of mental health through research relating to psychiatric disorders. Incorporated in the grant provision of the basic act is an additional \$10 million, making \$30 million authorized annually to be allocated according to population, the mental health problem and other special health problems in the respective States, and financial need.

The Labor Department-Federal Security Agency Appropriation Act for the fiscal year 1947 provided for the return to State control, on November 15, 1946, of the public employment offices and all their facilities, which the States had transferred to the Federal Government on January 1, 1942, to promote the national war effort. The appropriation act suspended State matching of the Federal grants until July 1, 1948, when the State matching requirements of the Wagner-Peyser Act are to be effective again. The legislation also provided that payments to States may be in amounts necessary for the "proper and efficient administration" of public employment offices. The current basis used for these grants are estimates of work loads, time factors, and personal services.

The Vocational Education Act of 1946 increased considerably the grants and minimum allotments authorized by the George-Deen Act in 1936 for vocational education in agricultural, home economics, trade and industrial, and distributive occupations subjects. The farm, rural, nonfarm, and total population, respectively, were factors as in the previous act, except that for apportionment and matching bases, the fifth category—the preparation of teachers of vocational subjects—was dropped as a separate item, and the grants of funds for the other four categories were liberalized to include this function.

The Social Security Act Amendments of 1946 temporarily changed the basis for reimbursement of State expenditures for old-age assistance, aid to dependent children, and aid to the blind. For the needy aged and the blind, the Federal Government will, from October 1, 1946, through December 31, 1947, reimburse the States for their expenditures (excluding all amounts in excess of \$45 a month to any individual) to the amount of two-thirds of the first \$15 of the average payment in the State, multiplied by the number of recipients in the State, plus one-half the remaining amount, as well as one-half the total sums spent for the proper and efficient administration of the State plan. For aid to dependent children (up to a maximum of \$24 a month for the first child and \$15 for each subsequent child in the same home), Federal aid during those 5 quarters will equal two-thirds of the first \$9 of the average payment multiplied by the number of dependent children, plus one-half the remainder, as well as one-half the administrative expenditures.

The House Ways and Means Committee had initially reported out a bill with equalization, or variable, Federal matching percentages but then reversed itself and reported out another bill that merely raised the Federal maximums while retaining 50-50 matching; the House approved this bill. The Senate accepted the report of its Finance Committee and amended the bill to include variable grants as originally reported to the House, but the conference committee compromised the differences by reporting out the fractional formula, in the form just outlined, which both Houses accepted during the closing days of the session.

This act also amended title V of the Social Security Act by increasing substantially the grants authorized for the three maternal and child health and welfare programs administered by the Children's Bureau. Most of the increase was in unmatched funds.

Among the last of the grant-in-aid programs approved by the President for the session was that for hospital surveys and construction. The purpose of the act, which added a new title to the Public Health Service Act, is to enable States to make an inven-

tory of existing hospital facilities, survey the need for hospitals and health centers, develop programs for construction, and finally, to assist the States in financing construction of hospitals based on such programs over a 5-year period, fiscal years 1947 through 1951. State-by-State allotments for the making of surveys and plans are in proportion to population, and within its allotment each State may receive one-third of its expenditures for this purpose.

The formula for the allocation of the construction grants is related to per capita income. Allocations are made on a variable basis, intended to reflect the differences both in State income and in the State's need for new hospital construction. The allotment to which each State is entitled is determined by multiplying its population by the square of its allotment percentage. The allotment percentage for any State, in turn, "shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of each State bears to the per capita income of the continental United States (excluding Alaska), except that (1) the allotment percentage shall in no case be more than 75

per centum or less than 33½ per centum, and (2) the allotment percentage for Alaska and Hawaii shall be 50 per centum each, and the allotment percentage for Puerto Rico shall be 75 per centum." Each State's allotment is the proportion of the total to be allotted that its weighted population is of the sum of the weighted populations. The effect of this formula is to increase Federal grants, relatively, as State per capita income declines.

As passed originally by the Senate, S. 191 (the Hospital Survey and Construction Act) would have varied the Federal-State matching percentages in exactly the same way as the allotment percentages. In its final form, the matching provision requires \$2 from each State for every \$1 of Federal aid. This ratio results in progressively larger total funds per capita in the States as their relative per capita income declines, but it also requires a far greater effort on the part of the lower-income States to match

* This is the same formula, except for the limits imposed, as that for matching percentages for public health and maternal and child health and welfare grants in the Wagner-Murray-Dingell bills of the 79th Congress.

Table 2.—Estimated amount of grants by major allocation bases and matching requirements, fiscal year 1946-47¹

Basis of allocation	Total		No matching required	Matching required
	Amount	Percentage distribution		
Total.....	\$1,237	100	\$212	\$1,024
Total, fixed ratio matching ²				951
Total, matching varied according to fiscal ability ³				73
State-local expenditures ⁴	606	49		606
Population.....	186	15	30	156
Total.....	82	7	9	73
General ⁵	95	8	21	74
Special ⁶	8	1	.1	8
Area and mileage ⁷	146	11	7	139
Cost of service.....	130	12	125	5
"Need" and fiscal ability ⁸	88	7	9	79
Discretion.....	41	3	23	18
Special problems ⁹	25	2	6	19
Equal shares.....	15	1	12	4

¹ Based on estimated obligations for 1946-47 shown in the *Budget of the United States Government for the Fiscal Year Ending June 30, 1948*.

² Includes all matching which treats all States on a par with one another.

³ Matching ratio varies with the States' relative fiscal ability.

⁴ Matching of these expenditures within certain maximum limits.

⁵ Urban, rural, farm, nonfarm population, or other census category.

⁶ Population aided; for example, number of blind in public institutions for their education, number of soldiers and sailors in State homes for disabled veterans, etc.

⁷ Mileage includes rural delivery, Federal-aid highway, railroad mileage.

⁸ Allocation varies with a population measure and with State fiscal ability.

⁹ For example, special health problems.

their Federal allotments. The allocation provision will tend to equalize hospital facilities, but the matching provision prevents equalization of State tax effort for the program.

The last Federal aid act approved in 1946 was for agricultural research, especially in marketing and distribution. Title I of the act provides for grants to State agricultural experiment stations. Of the funds authorized, 20 percent is to be divided equally among the States and Territories, 52 percent is to be allocated one-half according to rural population and one-half according to farm population, and 25 percent constitutes a regional research fund from which the Secretary of Agriculture may make discretionary grants when two or more States have embarked on a cooperative program. The remaining 3 percent goes to the Office of Experiment Stations of the U. S. Department of Agriculture to meet the cost of administering the act. The States must match dollar for dollar all grants but those from the regional fund.

Despite the fact that the variable

grants proposed for education, health, and welfare were not enacted (except those for school lunches), the Seventy-ninth Congress gave more consideration and support to the equalization principle than had ever been given before.

The Eightieth Congress in its first session took no grant-in-aid action other than to extend the public assistance financing amendments of 1946 through June 30, 1950. Serious consideration was given, however, to a bill for Federal aid to education, a bill for grants to States for the medically needy, and a bill for school health services.

A summary of the relative dollar importance of the various allocation and matching formulas being used today is shown in table 2. About 50 percent of all grants are distributed among States in relation to State and local expenditures. Another large share is allocated according to measures of need, such as population, area, mileage, and the cost of furnishing the aided services. Only a small part of total grants, about 7 percent, is allo-

cated with some consideration of relative State fiscal ability.

For every \$1 of Federal aid that does not entail State and local matching, roughly \$5 does require such matching. Of the matched grants, only one, that for school lunches, varies the ratio of State to Federal funds with the States' relative ability to raise these funds.

The present allocation among States of many grants has been criticized on the ground of inequity—inequity of service level and inequity of tax burdens called for by matching requirements. Moreover, in many programs the current manner of distribution is uneconomical in that need is often not met where it is found. Total grants for all programs today vary substantially among the States, but not directly with need and not inversely with ability. On these counts and because of the lack of uniformity in financial provisions among related Federal aid programs, serious reconsideration of the entire problem of Federal grants to States would seem to be necessary.

Social Security Legislation in 1947*

NO COMPREHENSIVE CHANGES in the social security program were enacted by the Eightieth Congress in its first session. Several measures affecting the operation of the program, however, were passed in the closing days of the session.

Social Security Act Amendments of 1947

Probably the most far-reaching of these measures was the Social Security Act Amendments of 1947 (Public, No. 379), signed by President Truman on August 6. These amendments freeze for 2 more years the contribution rate under the Federal Insurance Contributions Act at 1 percent each for employers and employees and raise the rate to 1½ percent for 1950 and 1951 and to 2 percent for 1952 and thereafter. In addition, Public Law No. 379 continues until June 30, 1950, the temporary increase in Fed-

eral grants to the States for the needy aged and blind and for dependent children, provided through December 1947 under the 1946 amendments to the Social Security Act.¹ It also extends through December 31, 1949, the authorization—which would otherwise have terminated June 30, 1947—for congressional appropriation to a special Federal unemployment account of the amounts by which the tax receipts from employers subject to the Federal Unemployment Tax Act exceed the costs of administering the State unemployment insurance laws. This account had been set up in 1944 under the War Mobilization and Reconversion Act to provide a fund from which the States could borrow for unemployment insurance payments when a State's own fund for that purpose became dangerously low.²

In reporting the amendments, both the Senate Finance Committee and

the House Committee on Ways and Means stressed the fact that immediate action was necessary both to forestall the scheduled increase in the Federal insurance contributions rate to 2½ percent—an aggregate of 5 percent—on January 1, 1948, and to continue the public assistance and unemployment insurance provisions.

The House of Representatives would have limited the rate under the Federal Insurance Contributions Act to 2 percent from 1957 on; it also proposed to make permanent the provisions respecting the Federal unemployment account, originally devised as an emergency measure to facilitate liberalization of State benefit provisions in preparation for the reconversion period. While the Ways and Means Committee reported (H. Rept. 594) "no immediate danger to the solvency of any State unemployment insurance reserve," it pointed out that "not all States can be sure they will be free of financial difficulties in the future. The 51 separate State reserves vary widely in their adequacy to meet the demands of mass unem-

*Prepared in the Office of the Commissioner, Division of Publications and Review.

¹ See the *Bulletin*, September 1946.

² See the *Bulletin*, October 1944.

ployment." Thus the unemployment insurance program, the Committee concluded, would be "greatly strengthened by the inclusion of a permanent loan feature."

The Senate held, however, that no permanent changes in the social security system should be enacted at this time. Various proposals had been made, the Senate Finance Committee reported (S. Rept. 477), "for extending the coverage of the social security program, changing the benefits, providing insurance protection with respect to permanent disability, and revising the social security program in other respects. Your Committee believes that since all of these matters are intimately connected with the costs and methods of financing the program, they should be considered simultaneously."

Both Houses of Congress were agreed on the necessity of continuing through June 30, 1950, the present provisions for increased Federal financial participation in the three State-Federal assistance programs. The Senate report pointed out that the increased Federal participation has raised the level of public assistance in all parts of the country but that, as the States require some time to make fundamental changes in their programs, "the full effects of the 1946 amendments can be ascertained only after they have been in effect for a longer period." It was therefore the consensus that extension of the provisions until June 30, 1950, "will afford opportunity to appraise the operation of the revised matching formulas . . . and also opportunity for concurrent consideration of recommended revisions of the public assistance titles of the Social Security Act."

A conference between the two Houses resulted in compromises on the tax provisions and on the length of time that the special Federal unemployment account would be continued.

Voluntary Contributions

Public Law No. 266, signed by President Truman on July 24, amends the Federal Unemployment Tax Act. The legislation accomplishes two purposes: it substitutes a statutory pro-

vision for the present administrative interpretation with respect to the payment of voluntary contributions to State unemployment insurance funds; and it specifies the period within which these contributions may be paid.

The Federal Unemployment Tax Act specifies certain criteria that experience-rating provisions of State laws must observe if they are to be certified by the Federal Security Administrator as meeting Federal requirements for the allowance of additional credit against the tax which the act imposes. Generally, States are free under the Federal act to vary the rate of an employer's contribution under State unemployment insurance laws in accordance with his employment experience, and the employer may credit the amount of his rate reduction, as well as his actual contribution under the State law, against his tax under the Federal act up to an aggregate maximum of 90 percent of the Federal tax.³

Twelve State laws make provision for voluntary contributions by employers, such contributions to be allowed as offsets against benefits charged to the employers' respective accounts. The effect of such offsets is to better the experience of the employers and to entitle them to lower rates of contribution. Though the Federal Unemployment Tax Act contains no provision specifically authorizing the use of voluntary contributions in the computation of contribution rates, such use has been recognized administratively. The Social Security Administration has also considered the question of the period within which voluntary contributions must be paid in order to be used for rate determination purposes and had taken the position that such contributions may be used for rate determination purposes if they are paid before the first due date for required contributions for the new rate period.

In April of this year, Minnesota amended its unemployment insurance law to permit the use of voluntary contributions paid on or before June

30, 1947, or within 60 days thereafter, in the determination of rates for the years 1946 and 1947. The contributions were not to exceed the greater of \$300 or 0.1 percent of the employer's annual pay roll. The Commissioner for Social Security withheld approval of this amendment on the ground that under the Federal Unemployment Tax Act he did not have authority to approve a State provision that permitted payments to be made after the first due date for required contributions for the new rate period.

As enacted, Public Law No. 266 expressly permits the use of voluntary contributions in the computation of reduced rates of required contributions. It also provides that, with respect to rate years beginning in 1948 or thereafter, voluntary contributions paid within 120 days after the beginning of the year for which such rates are effective may be used in computing the reduced rate of contribution. The amendment made by the law, with respect to rate years beginning in 1946 or 1947, also permits the use of voluntary contributions for rate determination purposes if paid at any time before January 1, 1948, thereby permitting the certification of the Minnesota law.

Senate Study of Social Security

The Senate, implementing its conviction that a study of the social security program as a whole is necessary before the enactment of permanent legislation, passed a resolution (S. Res. 141) on July 23 authorizing an expenditure of \$25,000 for that purpose. The resolution calls for a "full and complete investigation of old-age and survivors insurance and all other aspects of the existing social security program, particularly in respect to coverage, benefits, and taxes, related thereto . . ." A similar resolution had been adopted by the Senate at the close of the Seventy-ninth Congress.

Exemption of Earnings, Old-Age Assistance

Under Public Law No. 131, signed by the President on July 30, certain aged recipients of assistance may continue until July 1, 1949, to work for wages either on a farm or in caring for the sick without having such

³For an analysis of the types of experience-rating systems, see Rachel S. Gallagher, "State Differences in Unemployment Compensation Employer Taxes," *Social Security Bulletin*, October 1945.

wages jeopardize their assistance payment. As a wartime measure to increase the supply of agricultural workers and persons in the nursing service, the States were permitted under temporary legislation first enacted in 1943 to disregard earnings from agricultural labor in determining the need of certain old-age assistance recipients who were on the assistance rolls as of July 1943; a similar provision allowing the exemption of earnings as a nurse was included in the 1945 deficiency appropriation act. Both exemptions were due to expire July 1, 1947.

Exclusion of News Vendors Vetoed

A fourth bill (H. R. 3997) was vetoed by the President on August 6. The proposed legislation would have excluded from coverage under old-age and survivors insurance and the Federal Unemployment Tax Act services performed by newspaper and magazine vendors. The 1939 amendments had excluded "service performed by an individual under the age of 18 in the delivery of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution." The proposed legislation would have extended the exclusion to the services of an individual, of any age, in making sales of newspapers or magazines directly to the consumer at an established price, if the individual vendor's basic compensation "is the excess of such established price over the amount at which the newspapers or magazines are charged to him."

In *National Labor Relations Board v. Hearst Publications, Incorporated*, the Supreme Court in April 1944 held that such vendors making street sales at established spots and working full time for Hearst and other publishers in Los Angeles were employees of the newspapers for purposes of the National Labor Relations Act. On January 2, 1947, the District Court of the United States for the Northern District of California, Southern Division, in *Hearst Publications, Incorporated v. United States and The Chronicle Publishing Company v. United States*, held that such vendors engaged by the publishers to sell newspapers at particular street locations in San

Francisco were employees of the publishers for Federal employment tax purposes.

The Committee on Ways and Means, in reporting out the bill (H. Rept. 733), expressed the conviction that "the method of handling the retail sale of newspapers in many of our larger cities is peculiar, and your Committee does not believe that such services should be covered under the social security system where the basic method of compensation is that described."

Exclusion of these employees would have removed social security protection, the President said in explaining his veto, from men engaged in full-time jobs and with families, men "exposed to the same risks of loss of income from old age, premature death, or unemployment as are factory hands or day laborers." The measure, he stated, proceeds in "a direction which is exactly opposed to the one our Nation should pursue. It restricts and

narrows coverage, while our object should be to enlarge that coverage."

Mr. Truman answered the argument that publishers have difficulty keeping records and collecting the required contributions by pointing out that their situation does not differ from that of "many other employers of outside salesmen or, indeed, employers of other kinds of labor." The legislation would, he said, "invite other employers to seek exemptions wherever they can allege that the law is inconvenient or difficult for them to comply with. It would establish a precedent for special exemption and the exclusion of one group would lead to efforts to remove social security protection from workers in other activities. Demands for further special legislation would be inevitable. We must not open our social security structure to piecemeal attack and to slow undermining. We must, instead, devote our energies to expanding that system."

Insurance Payments to Survivors of the Texas City Disaster

By Robert J. Myers*

ON APRIL 16 a ship lying in the harbor just off Texas City, Texas, exploded. The flames spread to the city, and the resulting holocaust not only caused vast property damage but took the lives of about 575 persons. Many of the victims carried some type of private life insurance. More than half had sufficient wage credits under the Federal program of old-age and survivors insurance to ensure some protection to their survivors. In addition, many insurance claims were paid to injured persons under various forms of accident and health insurance and under workmen's compensation. This report summarizes briefly the insurance benefits, under both private insurance and old-age and survivors insurance, arising from loss of life in this disaster.

Private Insurance

The claims payable by all private insurance companies are estimated

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at a face value of between \$3 million and \$4 million for ordinary, industrial, and group insurance combined. The group insurance policies include both group life insurance and group accidental death and dismemberment insurance, which is a form of accident and health insurance. Workmen's compensation death benefits, included here because the insurance was carried with private insurance companies, will total more than \$1 million in present, or discounted, value. Although the claims involved many companies with individual, ordinary, and industrial life insurance policies, three companies had particularly heavy losses under group insurance cases.

The Metropolitan Life Insurance Company (New York) had group life and accidental death and dismemberment contracts with the Monsanto Chemical Company, which was the hardest hit of any large industrial plant in Texas City, and as a result had about 120 death claims. These

deaths were almost one-fifth of the total deaths in the entire catastrophe. In fact, about one-fourth of the Monsanto employees in the plant were killed. Since many of those who lost their lives were high-paid technicians and since group life insurance is related to the wages of the insured persons, the average face amount of these group insurance certificates, including the accidental death provisions, was around \$10,000. The total claims against the Metropolitan were therefore about \$1.1 million, or nearly one-third of the total insurance in force with the company in this plant (\$2 million of group life and \$1.75 million of group accidental death and dismemberment). It might be mentioned that over and above these group insurance benefits Monsanto paid \$1,000 to each widow.

The Metropolitan also had a few death claims in other group insurance cases, principally Union Carbide and Carbon Corporation and Texas Gulf Sulphur Company, and, of course, a number of claims were also filed under individual policies.

To ensure prompt handling of the claims, the Metropolitan and the other insurance companies who were considerably involved sent large staffs to the scene of the disaster. Likewise the Social Security Administration opened temporary emergency offices in Texas City. This action by the insurance companies did not mean, it should be noted, that the claims were necessarily paid immediately. Past experience has indicated that in many cases the immediate payment of a large lump sum is a great disservice to the distraught, and perhaps hysterical, beneficiary. Rather, the claims staffs got in touch with the beneficiaries and explained their rights, giving information about optional modes of settlement and suggesting that perhaps the best procedure would be to take a small immediate payment for emergency needs and defer making a decision as to the settlement of the balance until later, when monthly installments to supplement workmen's compensation and old-age and survivors insurance benefits might seem more desirable.

The Equitable Life Assurance Society (New York) had two group insurance contracts covering a number

of deaths; both contained the double indemnity feature for accidental death. One of the contracts was with the Republic Oil Refining Company, where there were 33 deaths, with total claims of \$310,000; the other was with the Pan-American Petroleum Corporation, where there were 12 deaths and \$101,000 in claims. In addition, the Equitable had 12 death claims under individual ordinary policies totaling \$232,745.

A fact of vital importance about group insurance was demonstrated very clearly in the disaster; most workers do not carry any substantial amount of individual insurance. Thus the \$411,000 paid out by the Equitable with respect to the 45 group insurance deaths contrasts sharply with the only \$63,000 paid out under all private insurance contracts with respect to the 31 deaths out of these 45 for which individual insurance was also carried. Moreover, \$20,000 of the \$63,000 was Government insurance held by veterans.

The Continental Casualty Company (Chicago) had a group insurance contract covering the volunteer firemen of Texas City which provided a benefit of \$3,000 for death while fighting a fire. There were 27 deaths under that contract and claims aggregating \$81,000. This policy had been taken out in March, and only the first premium of \$300 had been paid. This one case therefore meant a huge loss to the company.

Little information is available as to the workmen's compensation benefits payable. At the Monsanto Chemical Company, however, the workmen's compensation insurance was carried with the Liberty Mutual Insurance Company (Boston). The Liberty Mutual incurred death claim losses having a present value of \$1,035,000, though this underwriting loss was in large part covered by a reinsurance arrangement. It might be mentioned that the death benefits under the Texas workmen's compensation law are relatively restricted, amounting to 60 percent of the weekly wage, with a \$20 maximum benefit, and payable for only 7 years.

The Texas City experience would seem to confirm and reinforce the view of insurance companies that a surplus should be built up for the

group business so that funds are available for catastrophic losses, instead of returning practically all surplus earnings in dividends and rate credits. The disaster exemplifies the impossibility of a precise rating of risks. The Monsanto plant was completely modern, and since no special industrial hazards were involved the group policy had been issued on a standard rate basis without any occupational or other rating.

Old-Age and Survivors Insurance

The first survivor benefit check under the old-age and survivors insurance program was sent 11 days after the disaster to a young widow with three children aged 5, 4, and under 1. The amount of the primary benefit to which the wages of the insured worker gave rise was about \$33. Survivor benefits to the family, which are based on the primary benefit amount, will therefore total \$66 a month for 13 years, when the first child will become 18 years of age, and a lesser amount for the next 5 years; at age 65 the widow will receive about \$25 a month for the rest of her life if she has not remarried. Assuming that the children live to age 18 and do not marry before then, and that the widow lives to age 65 without remarrying and has a normal life expectancy thereafter, the total amount payable to the family would aggregate \$16,800. This figure further assumes that there is no withholding or suspension of benefits, either in whole or in part, because any of the beneficiaries work in covered employment for \$15 or more per month or because the widow becomes eligible for a primary benefit in her own right at age 65.

A special tabulation of claims arising from the Texas City disaster, made by the area offices of the Bureau of Old-Age and Survivors Insurance, shows that as of the middle of July claims for survivor benefits had been filed in connection with 303 deaths, somewhat more than half the 575 deaths recorded. Of these claims, benefits were awarded in 289 cases, 6 were disallowed, and 8 were still pending. In addition, about 30 cases were still pending in various field offices of the Bureau. Possibly claims with respect to another 60 deaths may be expected in the future,

as identification of bodies and informing the next of kin proceeds.

Of the 289 awards, immediate monthly benefits were payable in 183 cases, involving 492 beneficiaries, distributed by type of benefit as follows:

Type of benefit	Number of beneficiaries	Average age	Average monthly benefit
Aged widow's.....	1	65	\$30.83
Widow's current.....	155	32	21.39
Child's.....	339	7½	15.31
Parent's.....	2	68	10.21

The other 106 awards are for lump-sum payments, averaging \$183.58.

As would be expected in a new industrial development like Texas City, the workers involved were relatively young and had few aged survivors to qualify as beneficiaries. Of course, a sizable number of the younger beneficiaries, particularly widows, may become eligible later on for old-age benefits. If the deceased worker was fully insured, for example, his widow who now qualifies for widow's current benefits because she has young children in her care will be eligible for a widow's benefit at age 65 if she has not remarried. In many of the lump-sum benefit cases, also, monthly benefits will be payable to the widow or to eligible dependent parents when they reach age 65.

A comparison of the Texas City beneficiaries with all beneficiaries to whom awards were made in 1946 shows that the Texas City widows with children are about 8 years younger, on the average, while the child beneficiaries are on the average about 2½ years younger. On the other hand, the average monthly benefits for the Texas City beneficiaries are about 20 percent higher than the average 1946 awards.

From the data collected in the special survey, it is possible to estimate the total amount of survivor benefits that will be payable as a result of the Texas City disaster and also the present value of these benefits, assuming interest at 2 percent, for comparability with the insurance company figures presented earlier. If under an insurance contract a beneficiary elects to take payment in monthly installments, the total amount payable will exceed the face amount of the policy because of in-

terest earnings on the decreasing amount held by the company. It should be emphasized that for both the old-age and survivors insurance system and the insurance companies, the total amount of claims payments does not represent a complete loss. Insurance companies have accumulated certain reserves with respect to the particular policy (more specifically, for ordinary and industrial policies rather than for group policies) and also contingency surpluses. In old-age and survivors insurance the liability developed by the deaths of these workers is offset to some extent by the canceling of the deferred liability for old-age benefits.

The total amounts payable with respect to the 289 deaths in which awards were made and the present value of these amounts can be summarized as follows:

Type of benefit	Total payable	Present value
Total.....	\$1,250,000	\$1,050,000
Aged widow's, immediate.....	5,000	4,000
Aged widow's, deferred.....	203,000	88,000
Parent's, immediate.....	5,000	4,000
Widow's current.....	395,000	371,000
Child's.....	623,000	564,000
Lump-sum.....	19,000	19,000

These calculations take into account such factors as mortality, remarriage of widows, and the availability of deferred widow's benefits for widowed mothers and for childless widows who received lump sums. On the other hand, the estimates do not allow for withholding of or reduction in the benefits because of the beneficiary's covered employment or because a widow has a primary benefit in her own right—which may be important factors—or for the relatively negligible item of deferred monthly benefits for dependent parents who are under age 65 and eligible now only for lump sums. In effect, therefore, the figures represent the maximum potential benefits payable. If allowance were made for possible withholding or reduction of benefits, which would affect particularly widow's current benefits and deferred benefits of widows at age 65 and to a lesser extent child's benefits, the total amount payable might drop to about \$1 million, with a present value of about \$800,000.

As already indicated, the survey covered only the awards made through the middle of July. About 40 cases were still pending and perhaps 60 or more may be expected to be filed subsequently. Many in the latter group will be for lump sums rather than for monthly benefits, since it is likely that, if the next-of-kin had been survivor orphans, claims would have been filed relatively promptly. On the whole, the pending and unfilled claims might increase the aggregate figures about one-fourth.

It may therefore be said that the total maximum potential survivor benefits that may be payable in the future by the old-age and survivors insurance system to survivors of insured workers who were killed in the Texas City disaster will be about \$1.5 million, with a present value of about \$1.25 million. On the other hand, the aggregate amount that will actually be paid (after allowing for withholding of benefits because of covered employment and other reasons, and after allowing for the reduction or elimination of widow's benefits because of primary benefits based on such widows' earnings) may be about \$1.25 million, with a value now of \$1 million.

The Texas City disaster is a vivid example of the manner in which both the old-age and survivors insurance system and private insurance companies supplement each other in furnishing an appreciable measure of protection for the workers of the country against wage loss due to death. The aggregate amount that will actually be payable to the bereaved survivors of the workers will total considerably more than \$5 million and will probably be about \$6 million. In many instances the old-age and survivors insurance monthly benefits, plus the monthly installments from the insurance companies, if a settlement option is taken, plus the workmen's compensation benefits, will afford orphans and their widowed mothers a real degree of economic security. Undoubtedly, many of the deceased individuals were not covered by old-age and survivors insurance or a group insurance policy, and their survivors may be in dire need. For the community as a whole, however, these insurance programs have given real protection.

Social Security in Latin America, 1945-47

By Carl H. Farman*

SOCIAL INSURANCE institutions now cover some 8.25 million workers in South America and another 1.2 million in the Central American and Caribbean nations. In addition, about 6 million dependents of covered workers are eligible for medical care under health insurance programs. The accompanying table provides from various recent official sources a general guide to the social insurance operations of the Latin American countries.

For most of the Latin American countries, the period since January 1, 1945,¹ has been a time of full employment and wage increases with a resulting positive effect on social insurance coverage and finance. It has been a time of full employment and wage increases. On the negative side must be counted the higher cost of goods and services, which has seriously affected both the beneficiaries of social security and the institutions providing benefits.

The importance of social security to the people and their governments throughout Latin America is unquestioned. During the period under review, laws introducing general compulsory social insurance systems have been adopted in Guatemala, Colombia, and the Dominican Republic.² Other important legislation—some for new risks and some for large new groups of workers—has been adopted

in Costa Rica (a new old-age, invalidity, and survivors insurance program), Cuba (textile and tobacco workers' retirement systems), Argentina (old-age, invalidity, and survivors insurance for commercial employees, industrial workers, and seamen and civil airmen), Brazil (increases in minimum cash benefits in all programs, plus better provision for medical care), Bolivia (stronger financing of work accident insurance), and Chile (increased benefits for work accidents). In three countries—Cuba, El Salvador, and Haiti—draft bills that would establish broad general social insurance programs are now under consideration.

Argentina

The tempo of social insurance expansion has been rapid in Argentina, where retirement plans for commercial employees, industrial workers, seamen, and civil airmen first began to function in the period under review. The two large plans, those in commerce and industry, took effect in January 1945 and September 1946, respectively, under Decree-Laws 31,665 of November 22, 1944, and 13,937 of May 15, 1946. In both of these very similar programs the worker pays 8 percent of his salary or wage, and the employer contributes 11 percent of pay rolls. The employer must also collect and pay a sales tax—on wholesale sales in the industrial program and on retail sales in commercial establishments—amounting to approximately 3 percent of pay rolls. He may substitute a pay-roll tax for the sales tax.

Retirement benefits in both programs are normally payable to men at age 55 after 30 years of service and to women aged 50 after 27 years of service. The amount of the benefit, for workers with salaries averaging less than 100 pesos³ monthly, is 95 percent of such salaries for industrial workers and 90 percent for commercial employees. The percentage is gradually reduced as the average

salary rises, but the benefit stands at two-thirds of salary when the latter is 1,200 pesos a month.

The plans for commerce and industry provide two other types of retirement pension—the reduced and the voluntary—and they also pay invalidity and survivor pensions. If the worker has not acquired pension rights by the time he retires or dies, his contributions are repaid, with interest at 4 percent a year.

A decree of March 1, 1946, established a Merchant Marine Section in the National Institute of Social Security, making operative in amended form a program initiated in 1939. Coverage extends to civilian airplane personnel as well as to seamen and affiliated workers in public and private navigation enterprises. The system comprises old-age, invalidity, and survivors insurance, financed principally by contributions of 7 percent from the workers and 9 percent from the employers.

Coverage for the entire population is proposed in the bill on social insurance transmitted to the Argentine Congress on October 21, 1946, as part of the Five-Year Plan. This measure would supply a modest subsistence minimum that would be the same for all beneficiaries. Persons wanting higher benefits could use a system of voluntary insurance like that now provided on a compulsory basis by the existing retirement programs. This very broad bill provides that within 10 months of its adoption a specific program must be drawn up for old-age, invalidity, survivors, health, and maternity insurance, plus protection at the employer's expense against industrial injuries and involuntary unemployment.

The Five-Year Plan also provides for an expenditure of 427 million pesos on the public health problem. All types of hospital beds would be increased, and medical services would be provided to 65 percent of the population.

Meantime, Decree-Law 30,656 of November 1944, providing preventive and curative medicine for persons affiliated with a social insurance agency, has been the basis for active planning. A commission, which included representatives of the National Institute of Social Security and the Depart-

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¹For developments in 1944 see Arthur J. Altmeyer, "The Progress of Social Security in the Americas in 1944," *International Labour Review*, June 1945. The *Inter-American Handbook of Social Insurance Institutions*, prepared by the Inter-American Committee on Social Security and published by the International Labor Office in 1945, is a useful survey of the programs in operation at the end of 1944. For a comparative analysis of social insurance trends, planning, and legal changes in the Western Hemisphere for the period 1942-47, and for details as to legislation in some of these countries, see also chapter IV of the Secretary's report to the Second Inter-American Conference on Social Security, to be held in Rio de Janeiro, November 1947.

²For a discussion of new legislation in Colombia, Costa Rica, the Dominican Republic, and Guatemala, see the *Bulletin*, June 1947, pp. 13-19.

³The exchange value of the peso is 30 cents in United States currency.

ment of Public Health, met in mid-1946 to organize the program and put it into operation.

Bolivia

The basic Bolivian program in the period under review has remained one of insurance against work injuries and compulsory savings for mine and factory workers, initiated in 1935. Work injuries insurance is supported by the employer at varying rates; compulsory savings, by the worker through a 5-percent charge on wages or salary. The program covers mining and factory workers in La Paz, Oruro, Potosí, Cochabamba, Sucre, Uyuni, Tupiza, and Uncia. Employers with more than 50 workers are the only ones obliged to insure, but many smaller firms insure voluntarily. In addition, Bolivia has a number of retirement programs, of which the railway, streetcar, and

public utility workers' fund with some 6,500 members is the largest.

A decree of November 1944, which became law on January 8, 1945, strengthened the financial base of the employment injuries system. The Insurance and Workers' Savings Fund, which operates the system, was authorized to fix contribution rates annually for each firm on the basis of the degree of risk in the employment. For 1946—and provisionally for 1947—the Fund's Board of Directors set the rates at 5, 7, 10, or 15 percent of pay rolls for mines, and at 5 percent for factories. The increased revenue resulting from the new contribution rates is indicated by the collection of 45 million bolivianos⁴ for the miners' section in 1945—nearly 20 million bolivianos more than in 1944 and more than a

⁴The exchange value of the boliviano is 2.36 cents in United States currency.

third of the total contributions for the 11 years 1935–45. These higher contributions were essential because of the benefit increases guaranteed by the Labor Law of 1942.

The benefits now consist of compensation of 100 percent of wages up to 6 months for temporary partial disability; 100 percent for 12 months for temporary total disability; monthly payments according to degree of disability for 18 months for permanent partial disability; 2 years' wages, in a lump sum, for permanent total disability; and the same sum, plus funeral costs, in case of death.

Medical services have been expanded despite a delay in the construction of the long-planned Workers' Hospital in the Pura-Pura section of La Paz. A 20-bed clinic for textile workers was opened in November 1946 in the Miraflores zone of La Paz. At present, services are paid for

Table 1.—Social insurance in Latin America: Income, expenditures, and coverage, by specified date¹

[In thousands]

Country	Date	Monetary unit	Income			Expenditures							Workers covered
			Total	Contributions	Other	Total	Benefits paid					Other	
							Total	Old-age, invalidity, and survivor	Sickness and maternity	Occupational accident and disease	Administrative and other		
Argentina ²	1945	peso	593,370	536,213	57,157	241,750	230,647	218,320	3,458	8,869	—	11,103	1,961
Bolivia	1946	boliviano	55,216	(³)	(³)	462,512	446,512	—	—	46,512	(³)	16,000	35
Brazil	1944	cruzeiro	1,970,138	1,632,070	338,068	810,399	511,992	338,290	42,989	83,382	47,331	208,407	2,640
Chile ²	1946	peso	3,048,694	2,601,672	447,022	2,001,113	1,708,493	344,560	479,141	67,493	817,299	292,620	1,243
Colombia ²	1946	peso	5,145	5,145	(³)	(³)	2,345	(³)	(³)	(³)	(³)	(³)	60
Costa Rica ²	1945	colón	(³)	(³)	(³)	(³)	2,667	—	2,667	—	(³)	(³)	60
Cuba ²	1943	peso	18,421	18,421	(³)	(³)	—	12,996	1,081	2,062	(³)	(³)	627
Ecuador	1945	sucre	45,916	39,124	6,792	18,437	12,972	123	5,642	—	7,207	5,465	90
Mexico	1945	peso	54,100	51,900	2,200	24,500	(³)	(³)	19,200	(³)	5,300	(³)	328
Panama ²	1945	balboa	4,027	3,390	637	760	549	79	460	(³)	10	211	50
Paraguay	1944	guaraní	1,230	1,230	(³)	606	488	(³)	253	(³)	—	118	41
Peru	1945	sol	19,073	15,155	3,918	(³)	8,698	90	8,205	—	403	(³)	245
Uruguay ²	1944	peso	50,306	(³)	(³)	(³)	46,366	(³)	(³)	(³)	(³)	(³)	659
Venezuela	1945-46	bolívar	(³)	19,618	(³)	(³)	3,558	(³)	(³)	(³)	(³)	(³)	80

¹ Data not available for Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, and Nicaragua.

² Includes data for government employees.

³ Data not available.

⁴ Excludes compulsory savings program under which 23 million bolivianos was withdrawn.

⁵ August 1945–December 1946.

⁶ Mainly for sickness, maternity, and occupational accident and disease.

⁷ October 1945–August 1946.

Source: Argentina: *Boletín Mensual*, Instituto Nacional de Previsión Social, October 1946. Bolivia: monthly tables, *Protección Social*, 1946–47, and *Previsión*

Social, Chile, January–March 1947. Brazil: *Anuario Estadístico Ano VI—1941/1945*. Chile: *Previsión Social*, January–March 1947. Colombia: *Previsión Social*, Chile, January–March 1947. Costa Rica: *La Prensa Libre*, San José Nov. 14, 1946. Cuba: *Seguridad Social en Cuba*, Ministerio de Trabajo, 1944. Ecuador: *Seguridad Social*, Quito, September 1946. Mexico: *Social Security Bulletin*, Washington, D. C., July 1946, and *Boletín de Información*, Feb. 16, 1947. Panama: *Estadística Panameña*, June 1946. Paraguay: *Inter-American Handbook of Social Insurance Institutions*, Montreal, 1945. Peru: *Anuario Estadístico del Perú*, 1944–1945. Uruguay: Rogelio Cheroni San Román, *Cajas de Jubilaciones y Pensiones del Uruguay*, Datos Estadísticos al 31/XII/1944. Venezuela: *Síntesis de la Labor Cumplida por el Instituto Venezolano de los Seguros Sociales . . . hasta Septiembre de 1946*.

by the firms that send their workers to the clinic with requests for hospitalization. Later, a regular system of health insurance is expected to provide the main financial basis of this and other hospitals.

Despite the legal limitation restricting benefits to compensation for employment injuries only, a wide range of medical attention is afforded by the system. The insured receives free ophthalmological and dental services in addition to the required medical attention in case of accident or occupational disease. Insured women and the wives of insured men are entitled to maternity services, and medicines are either free or are sold to insured persons at a discount. The employer defrays these costs through arrangement with the Fund.

The activities promoted during 1946 include establishment of a dental service, determination of uniform reporting requirements for employers, and a census of insured workers. The census, which was mainly the responsibility of the employers, resulted in significant data on wages, living conditions, health, and family status of miners and textile workers. Experimental work in low-cost housing has preceded a planned program of construction.

Brazil

Brazilian achievements during 1945-47 have included adoption of a general "Organic Law of Social Services," intended gradually to provide social security for the entire population; an increase in the scale of cash benefits for all retirement, survivor, and cash sickness programs; putting into operation a new system of work accident insurance; and creation of workers' welfare services, especially medical care, in commerce and industry.

The Organic Law of Social Services (Decree-Law No. 7,526, May 7, 1945) is intended to provide all persons in the country except public employees and members of the armed forces with all essential social insurance benefits and assistance services. This objective is to be reached through universal coverage under a single administrative agency, which will pay to insured persons cash benefits of not less than 70 percent of the regional

minimum wage. An Organizing Commission appointed to fill in the details of the Organic Law has made comprehensive research studies and recommendations.

One of the greatest reforms contemplated by the Organic Law was achieved by Decree-Law 7,825 (Aug. 6, 1945), which fixed for all existing social insurance agencies a minimum retirement and invalidity benefit rate of 70 percent of the regional minimum wage and set the survivors' minimum at half this amount. In addition to raising the minimum benefits, the Decree-Law contained a scale for increasing all benefits by percentages ranging from 105 percent for pensions granted in 1923 to 10 percent for those granted in 1944. It also established maximum rates. The President of the Industrial Workers' Institute declared that in that agency alone some 40,000 beneficiaries would be aided by the increased amounts provided under this measure. He pointed out, too, that the ratio of social insurance benefits to salary is now higher in Brazil than in most other countries.

The contributions, in the case of Institutes and Funds not already having an equal or higher rate, were fixed at 15 percent of wages or salary. The worker, the employer, and the Government pay 5 percent each. The Decree-Law of August 6 also provides for prompt payment of the Government contribution.

The work accidents law (Decree-Law No. 7,036, Nov. 10, 1944, slightly amended in June 1945) broadened the definition of accidents, made certain other improvements, and provided that by 1953 all work accident insurance must be handled by the social insurance institutions. This law—which applies to agriculture, domestic service, and all public employment, as well as to commerce and industry—went into operation on July 1, 1945.

The extension of social security services through a nutrition service dates from 1940. It operates low-cost restaurants and food shops and uses trucks to serve hot meals to insured workers. Somewhat similar services, but emphasizing medical care, were initiated by Decree-Law No. 9,403 (June 25, 1946), which required the National Confederation of Industry to create an Industrial Social Service

to study, plan, and carry out measures of worker welfare, and particularly to help conserve the real value of wages through housing, nutrition, and health measures. It requires industrial establishments in the Confederation to pay a monthly contribution of 2 percent of wages or salaries to the social insurance agency with which they are affiliated. A similar program for commercial workers—the Commercial Workers' Social Service—operates, by agreement with the government of the Federal District, maternity and child welfare centers in that area. In addition, it has begun construction of a network of medical and recreational centers in the Federal District. Each will include a clinic, small surgery, crèche, dental office, and recreational center.

This review can note only briefly the very active field of Brazilian social insurance thought, as expressed in popular discussions, conferences, official committees, and other outlets. The work of the Organizing Commission already referred to is the outstanding example of recent Brazilian social insurance research. It has produced scores of studies and recommendations, most of them as yet unpublished. The Second Brazilian Congress of Social Law, held in São Paulo in May 1946, touched on many subjects, including rural life, labor unions, wages, profit-sharing, and numerous aspects of social insurance.⁵

The productive and socially useful employment of social insurance reserves has been the subject of discussion in the press and by social insurance officials. In March 1947 the President of the Republic sent a message to Congress on social questions, in which he recommended broader coverage under social insurance and declared that reserves should be used for activities of social interest.

It may be noted in this connection that 28 percent of the total capital stock of the great steel mill at Volta Redonda is held by social insurance agencies. This enterprise, the Companhia Siderúrgica Nacional, was capitalized at 1¼ billion cruzeiros⁶ in

⁵ See the *Bulletin*, October 1946, pp. 48-49.

⁶ The exchange value of the cruzeiro is 5 cents in United States currency.

1945. In that year, four Institutes and two Funds invested 200 million cruzeiros in new stock, raising their total holdings to 350.5 million cruzeiros.

Chile

The Chilean social insurance programs⁷—large in proportion to population, and particularly well developed as to workers' medical care and salaried employees' pensions—have not been substantially modified since January 1945. Benefits for employment injuries have been improved, lawyers are now covered by retirement insurance, and a number of important social insurance agencies have been required to increase their investments in low-cost housing.

Law 8,198 of September 3, 1945, increased the temporary disability benefit for work accidents and occupational diseases from 50 percent to 75 percent of the daily wage and raised by 100 percent the pensions already being paid. The law, which took effect as of June 1, 1945, approves the continued existence of both private companies and the National Fund, but requires the former to pay to the National Fund 5 percent of all accident insurance premiums. These payments go to a special reserve which will bear the cost of the pension increases noted, and—if funds permit—be used to retrain injured persons and to promote accident-prevention work.

A Bank Employees' Fund was created by Law No. 8,569 (Sept. 26, 1946). This institution is under the Superintendent of Banks; it combines several, though not all, existing separate bank employees' programs into one system of retirement, savings, and family allowances.

An increase in low-cost housing funds was the aim of Decree No. 535 (June 19, 1945), which requires several important social insurance agencies—but not the Workers' Compulsory Insurance Fund—to invest at least one-fourth of their real annual budget in houses for rental to insured workers with low incomes. As a result, from 100 to 200 million pesos⁸ annually is expected to go into workers' housing. Though some of this money would have been so invested in any event, the

increase resulting from the new law will be substantial.

By Decree No. 1,962 (May 1945), lawyers were required to affiliate with the Public Employees' Fund. The decree implements Law No. 7,871 (Sept. 15, 1944) on the subject.

Among nonlegal developments in the social security field during the past 30 months, the planning and progress of medical care and medical statistics are noteworthy. Detailed surveys of the different zones of the country, showing their medical problems and the results of social insurance activities, have appeared over the past 2 years in the *Boletín Médico-Social*, the official journal of the Compulsory Insurance Fund's medical service.

Colombia

With the adoption on December 26, 1946, of Law 90 on Compulsory Social Insurance,⁹ Colombia joined the other nine South American nations in enacting social security legislation applicable to commercial and industrial workers. The Government has expected to put the act into operation, at least in part, in 1947. Law 90 is a broad measure, which includes employment injuries, health, maternity, invalidity, old-age, and survivors insurance. Health and maternity insurance are to receive priority. The details of the program, including benefit and contribution rates, are still to be spelled out.

Pending the organization of the social insurance program, the labor law of February 19, 1945 (Law No. 6 of that year) provided for certain important benefits by making the employer responsible for (1) medical and cash benefits for employment injuries; (2) cash benefits for 180 days in case of general illness; and (3) payment of a dismissal wage amounting to a month's salary for each year of service. The law does not apply to casual or home workers with no permanent contract or to the employees of an artisan having no more than five workers in his service. But large firms—those capitalized at more than 1 million pesos¹⁰—are required to pay

a retirement pension of two-thirds of the average wage during employment (and not less than 30 or more than 200 pesos a month) to employees 50 years of age with 20 years' service. Domestic servants have the right under this law to a month's salary and medical care in case of illness and to 2 weeks' salary for each year of employment in case of unjust dismissal.

This law also provided important benefits for public employees, which were implemented by Decree No. 1,600 of 1945, dated June 30. The decree organized the Fund for Social Insurance of National Salaried Employees and Wage Earners. The benefits comprise those stipulated under Law 6, including the retirement benefit, as well as an invalidity pension equal to full pay, with a minimum of 50 pesos monthly and a maximum of 200 pesos. The retirement benefit was increased by Law 65 of 1946 (December 20) to two-thirds of the salary received in the last year of service. Survivor pensions are not among the benefits, but the dismissal wage to which a deceased employee would have been entitled at the time of his death is payable to his heirs.

Resources for this program are a Government contribution of 3 percent of the ordinary receipts of the national budget, a 3-percent contribution from salaried employees of the Government, and a 2-percent contribution by wage earners, plus a payment by the worker of a sum equal to one-third of his first month's salary.

Costa Rica

In December 1946, the month following the fifth anniversary of its social security program, the Costa Rican Social Insurance Fund issued a regulation making old-age, invalidity, and survivors insurance compulsory for a large sector of the population.¹¹ The unusual degree of autonomy enjoyed by the Fund is demonstrated by its power to inaugurate a complete program without new legislation.

Up to the end of 1946 the system had comprised health and maternity insurance for public and private workers in selected population centers of the country. The program was expanded notably in 1945 and 1946 through con-

⁷ See the *Bulletin*, May 1947, pp. 10-19.

⁸ The exchange value of the peso is 3 cents in United States currency.

⁹ See footnote 2.

¹⁰ The exchange value of the peso is approximately 57 cents in United States currency.

¹¹ See footnote 2.

struction of a large Central Hospital and polyclinic in San José and construction of the Turrialba Hospital. It also operates 10 dispensaries in different parts of Costa Rica but makes use of existing public hospitals and other institutions when necessary.

The program was one of the first in Latin America to establish a brief qualifying period for health insurance benefits. Workers with 4 weekly contributions are eligible for complete medical benefits up to 52 weeks, and to cash benefits at one-half of wage or salary for 25 weeks. As the Fund has erected and equipped its own hospitals and dispensaries, it has extended medical care to dependents of an insured worker who has made 8 contributions. Maternity benefits, however, are still limited to the insured woman. The health and maternity program is financed by employer and worker contributions of 2.5 percent each, which are increased to 3 percent when dependents are entitled to medical benefit.

The new retirement program, which is mainly for salaried employees, provides an old-age benefit at age 65 after 15 years of insurance and invalidity and survivor pensions irrespective of age if 3 years of contributions have been paid. Contributions totaling 7.5 percent of salary are divided equally among the insured, the employer, and the Government.

A law of August 6, 1945, transferred all public housing authority in Costa Rica to the Social Insurance Fund. Approximately 300 houses are being built in various cities and towns at the present time; these will remain the property of the Fund and be rented to families with low incomes.

To meet the problem of temporary unemployment due to shortages of materials the Government has set up a special unemployment fund, financed by the Office of Economic Defense, to pay one-half of wages to certain groups of workers who are involuntarily unemployed. The Secretary of Labor and Social Welfare administers the program, which is supported by taxes on structural iron and steel. The problem of financing dismissal-wage legislation has come to the front recently, and the recommendation has been made that the Social Insurance Fund cover the risk

of unemployment by a genuine social insurance program.

Cuba

Cuba has a great variety of social insurance systems but lacks as yet a Nation-wide and comprehensive program; maternity insurance, however, is Nation-wide and compulsory (except in agriculture). Health insurance is voluntary and operates on an extensive scale through large mutual societies. Retirement insurance has proceeded by occupational groups, and during the 30 months ended in June 1947 new retirement legislation expanded rapidly. In January 1945, there were seven such special systems for workers outside public employment—in journalism, medicine, and banking and in the maritime, railroad, sugar, and telephone industries. There were also seven funds for public employees. In the period under study, seven more retirement funds—one for public workers—were created by law for pharmaceutical workers (1945), lawyers (1945), textile and henequen workers (1946), tobacco workers (1946), barbers and hairdressers (1946), Government manual workers (1947), and dentists (1947).

The program for textile and henequen workers—one of the most important of the new systems—is one of old-age, invalidity, and survivors insurance. The amounts of benefits vary according to wages and years of service. Workers with high earnings who qualify for benefit after 10 years of coverage will receive only 15 percent of their average wage in the last year of employment. At the other extreme of low earnings and long coverage, the benefit is 70 percent of the wage. The normal qualifying requirement is 35 years' coverage, irrespective of the age of retirement, or 30 years' coverage at age 50. Workers may retire at age 60 after 10 years of service. The invalidity benefit rates are the same as those for retirement. Survivor pensions for widows amount to one-half the pension of the insured spouse; other survivors are entitled to share equally in the remaining half of the benefit paid or payable to the covered worker.

The financial support comes principally from a 6-percent contribution, shared equally by workers and em-

ployers. The administrative body, as in practically all the Cuban programs, is an autonomous institution with workers and employers represented equally on the Board of Directors.

As against the fragmentary tendency to create many new retirement funds, Cuba has in recent years considered several bills looking toward a general system covering all the major risks. The proposed Labor Code, which was first submitted to the President on June 13, 1946, contains the latest such project. It would establish a program of health, invalidity, retirement, survivor, and unemployment insurance. Maternity and work accident insurance would also be included in the general framework of a single supervisory and coordinating agency, the National Social Insurance Commission. Contributions of 10 percent of wages or salaries, with worker and employer paying 5 percent each, would constitute the principal resources. The Government would contribute 2 percent of its ordinary budget each year.

The measure contemplates the temporary continuance of the existing retirement programs but provides for negotiations looking toward unification. In almost all essentials the social insurance portions of the proposed Code follow the drafts prepared by the Office of Health and Social Welfare of the Ministry of Labor. An unemployment insurance bill drafted by the Ministry was considered separately by the Congress in 1946, but no action was taken.

Dominican Republic

Under Law 1,376 of March 17, 1947, the Dominican Republic established a system of old-age, invalidity, health, and maternity insurance.¹² Within 60 days of its promulgation, all employers in the country, except those hiring private domestic help only, were required to register themselves and their employees. Employer contributions were due at once. Six months from its publication—or 9 months if the President should so order—medical and cash benefits for health and maternity insurance were to be in operation. Employees will pay contributions only after medical services are available.

¹² See footnote 2.

The payment of a single contribution qualifies the insured worker for medical benefits, and payment of 6 weekly contributions in the 9 months preceding illness entitles him to cash benefits equal to one-half his wage or salary for as long as 26 weeks. The retirement benefit will be payable at age 60 after 8 years of contributions; the invalidity pension is to be paid irrespective of age if 250 weekly contributions have been paid. There is no survivor pension, but a lump-sum benefit is provided. A rather unusual aspect of the sickness and maternity insurance system is that salaried employees may elect to obtain their own medical services and request remuneration from the insurance system according to a scale not yet published.

The total social insurance contribution is 9 percent of wages, the employer paying 5 percent, the worker 2.5 percent, and the Government 1.5 percent. The employer must also pay the workers' share for apprentices, workers who are not paid in cash, and persons earning not more than 6 pesos¹³ weekly. The Government will meet the cost of health and invalidity insurance for farmers in the frontier regions.

Ecuador

Ecuador has in recent years undertaken a broad revision of its compulsory health, pension, and work accident insurance. The authority of the National Insurance Institute has been strengthened, and both its branches—the Insurance Fund for privately employed persons and the Pension Fund for Government workers—have been modernized in a number of important respects.

The legal bases of the program are the Compulsory Social Insurance Law of 1942, the regulations of 1944, and the Constitution of 1945. Although the regulations affecting public employees went into operation in 1944, a longer period of preparation was necessary in the Insurance Fund. To increase public understanding and obtain worker support for the new system, the National Insurance Institute conducted a 5-day conference for insured persons. The Institute paid the traveling expenses of workers' repre-

sentatives coming from outside Quito to the capital. At the meeting, the system was explained and workers' recommendations were invited and received; subsequently the proceedings were published.

The new program is superior to the old in its adoption of standards that have now been widely accepted as desirable. While the law of 1935 provided for protection against sickness through medical benefits only, and for not more than 3 months, the new system assures care up to 6 months and also provides for a cash benefit equal to one-half of wages for the first 4 weeks and to 40 percent of wages for another 22 weeks. The first cash sickness benefits were scheduled to be paid in January 1947. The definition of invalidity has been changed from that of permanent and total disability to inability to earn at least one-third of the usual remuneration. Benefits to adult survivors, formerly payable for 15 years, will now be ordinarily paid for life.

Financial support for these and other benefits is derived from an employee contribution of 5 percent of wages or salary, an employer tax of 7 percent (raised from 5 percent on July 1, 1946), and a Government contribution from the proceeds of certain taxes.

Substantial administrative modifications have been made, including a revision of employer reporting to provide better records. The Institute has also decentralized the records of the Social Insurance Medical Department, which is responsible for medical care of both Government and nongovernment workers. Public employees were first eligible for medical care in 1944. The Institute has also undertaken to decentralize the Insurance Fund by creating a semi-autonomous branch in Guayaquil, with jurisdiction over the social insurance program in the Provinces of Guayas, Los Ríos, El Oro, and the Archipelago of Colón.

El Salvador

El Salvador has not as yet adopted a social security law, but constitutional measures to that end were adopted in 1945, when the Constitution of 1886, with several amendments, was reinstated as the supreme law of the land. Title 14, Family and

Labor, calls for enactment of a labor code (now being drafted) and declares that a compulsory social insurance system shall be established with contributions from the Government, employers, and workers. Other provisions call for the promotion by the Government of institutions of social assistance, credit, and savings, and every type of cooperative. Another step was the creation in October 1946 of the Ministry of Labor and Social Welfare.

Social insurance planning reached an advanced stage in 1947, when a special commission transmitted a draft bill to the Minister of Labor and Social Welfare on May 28. The measure provides for establishment of a Salvadoran Institute of Social Insurance to administer a broad program of health, maternity, invalidity, old-age, and survivors insurance, and a program of family allowances. Coverage would extend ultimately to the entire working population but would begin with provision of health and maternity insurance for employed persons in urban areas.

The draft bill specifies that health insurance benefits shall be available for 26 weeks—52 weeks in some cases—and that the cash benefit shall not exceed 75 percent of wages or salary. Maternity benefits, both in services and cash, would be available for 6 weeks before and 6 weeks after childbirth.

Beyond providing that old-age and survivors insurance shall be established, the bill gives no details. For invalidity insurance, there is the interesting departure from most systems in that an invalid is defined as one whose loss of earning capacity is 30 percent or more. When the loss exceeds 60 percent, a basic pension would be payable; when the loss is between 30 and 60 percent, the payment would be half the amount of the basic pension. The bill emphasizes rehabilitation and preventive medical services.

Guatemala

Guatemala's liberal Constitution of May 11, 1945, which includes provision for the establishment of social insurance to be supported by workers, employers, and the Government, was followed by a general social security act

¹³ The exchange value of the peso is \$1 in United States currency.

on October 30, 1946.¹⁴ This legislative decree, entitled "Organic Law of the Guatemalan Institute of Social Security," provides the legal blueprint for gradually putting into operation a large-scale social insurance system in a predominantly agricultural Nation of 3.5 million persons.

The administrative agency charged with this task has been created and is already functioning; it is the Guatemalan Institute of Social Security, with a Board of Directors on which a number of key institutions are represented.

Under terms of a regulation of the Institute approved last June by the Chief Executive, the first program to take effect will be insurance against employment injuries in firms having five or more workers. The first zone of operations will be Guatemala City, where 714 such employers had been registered by July 15. September 15 was tentatively decided upon as the date for beginning operations. Insurance against general accidents will follow soon after the work accident scheme. The benefits for nonoccupational injuries are scheduled to precede general health insurance because the medical resources of the country are still very limited. At the same time, it is expected that administrative simplification will result from eliminating the distinction between the different causes of accidents.

Other parts of the system will begin operation as the Institute determines, but it is intended that the second broad program to be made effective will be that of maternity and hospitalization insurance. Here again, an urgently needed sector of a general health insurance program is given priority, partly because of its importance and partly because the medical facilities can be provided more readily for maternity and hospitalization insurance than for all sicknesses. A program of widows' and orphans' pensions will be provided next, to be followed by general health insurance and, finally, by old-age and invalidity insurance.

After 10 years, by 1957-58, it is expected that all persons engaged in producing goods and services—some half million in all—will be members

of the social security system. In the beginning, however, the groups covered will be employed workers in more densely populated localities. Contribution rates remain to be determined, but the law declares that approximately half of the expenses shall be allocated to the employer and one-fourth each to workers and the Government.

Haiti

Haitian social legislation has emphasized assistance rather than insurance. This is the case even with the Social Insurance Act of 1943, which directs that contributions of 1 gourde¹⁵ fortnightly from laborers on large undertakings shall be used for benefits to injured workmen, for the housing of aged laborers, or for certain other purposes. In these respects the law supplements existing legislation. Some of the funds collected have been employed for important construction undertakings that involved the relief of unemployment as well as the provision of educational facilities.

The Congress of 1946-47 received from the Department of Labor a social insurance bill¹⁶ that would create an autonomous social insurance institution; repeal the act of 1943; and provide compulsory insurance for employment injuries, sickness, and maternity. The institution would be empowered to introduce the programs gradually, taking into consideration the possibility of registering employers and workers, of making collections, and of efficiently providing the specified medical and cash benefits.

A 1-percent tax on the employer would finance the work accident benefits, but the worker and employer would share equally the cost of health and maternity insurance at rates to be determined after study. Under health insurance, the insured person would receive medical attention up to 27 weeks and cash benefits equivalent to 50-70 percent of his wage (according to the number of dependents) for 26 weeks. Dependents would be entitled to medical care for 13 weeks. In case of maternity, the insured woman

would receive medical and cash benefits.

Honduras

Honduras has as yet adopted no social insurance legislation and has announced no immediate plans. The Inter-American Health Service in 1946 completed construction of a two-story, 108-bed tuberculosis hospital outside of Tegucigalpa at a cost of approximately \$215,000.

Mexico

In January 1945, social security in Mexico had been on the statute books for 2 years and in operation for 1 year.¹⁷ It was then functioning only in the Federal District, but during the year operations began in Puebla and Monterrey. In 1946 a regional fund was established in Guadalajara, and in 1947 in Orizaba. As a result, the number of covered workers increased 45 percent from June 30, 1945, to December 31, 1946. In the spring and summer of 1947, committees were active in exploring the possibilities of extension to a large number of additional cities.

After the change in government in the 1946 elections, the Mexican Institute of Social Insurance was reorganized into three main branches—medical, technical, and administrative—each headed by an assistant director. Departments and offices under each branch were reshuffled, and the Ministry of Economy replaced the Ministry of Labor and Social Welfare as the cabinet office concerned with social insurance.

A study of the law and its possible amendment in the light of experience was initiated early in 1947, when a commission of experts was named to formulate recommendations for new legislation. An actuarial valuation, conducted in 1946-47 by the Chief Actuary of the Compulsory Social Insurance Fund of Chile, is expected to be released in the fall of 1947.

The Mexican program comprises health, maternity, old-age, invalidity, and survivors insurance, plus employer-financed insurance against employment injuries. Contributions

¹⁵ The exchange value of the gourde is 20 cents in United States currency.

¹⁶ See the *Bulletin*, June 1947, pp. 13-14.

¹⁷ For Mexico's first 2 years of social insurance, see the *Bulletin*, July 1946, pp. 22-27; for an analysis of the law of 1942, see the *Bulletin*, March 1943, pp. 11-16.

¹⁴ See footnote 2.

in the general program total 12 percent of wages or salaries; the employer pays 6 percent, and the worker and the Government pay 3 percent each.

Invalidity and survivor pensions may become payable after the worker has made 200 weekly contributions, so that the first persons to qualify for these benefits may be eligible in November 1947. Old-age benefits require 700 weekly contributions. But medical services for the insured and his dependents are available from the date the worker enters covered employment, while cash sickness benefits go to the worker who has paid 6 weekly contributions in the 9 months preceding illness.

The need for hospital facilities is being met gradually in spite of the handicap that wartime conditions imposed on construction. The Social Insurance Institute was planning to dedicate in mid-1947 its Maternity Hospital No. 1, with 200 beds and 100 cribs. Maternity Hospital No. 2 was opened in April 1947 with 120 beds. At the same time the Institute was remodeling the Italian Sanatorium—purchased in March at the cost of 1.3 million pesos¹⁸—for a traumatological hospital.

The Institute's Office of Hospital Planning has worked out designs for important hospitals in all the regions as well as in the Federal District. The Institute has also opened several new pharmacies throughout the Federal District to satisfy the demand for conveniently located facilities of this type. Eight modern clinics, each designed for the area to be served, are being built or planned in the Federal District. The three begun before the spring of 1947 are designed to serve 60,000 persons each; they will provide general, specialist, dental, maternal-infant, and other care.

Nicaragua

Nicaragua has witnessed little social insurance activity as such. Under the Labor Law of 1945, however, employers are required to bear the cost of occupational accidents and diseases, provide sanitary conditions, and assure measures of accident prevention. This law also makes provision

¹⁸ The exchange value of the Mexican peso is approximately 21 cents in United States currency.

for free Government employment offices.

The primary emphasis in the welfare field has been on public health work, a movement which has received great stimulus from the Inter-American Cooperative Health Service. Among other accomplishments, this joint effort has resulted in construction in Managua of a National Ministry of Health building, with a health center, and in the establishment of six health centers and the expansion of two others.

Panama

The Panamanian social insurance program covers private salaried employees and laborers in the Districts of Panama and Colón (which have about a third of the whole population) and Government workers throughout the country. The contributions of 9.3 percent of wages—1.3 percent from the Government and 4 percent each from worker and employer—go primarily for old-age and invalidity insurance, but 11 percent of the revenue is used for medical care for insured persons and for cash and medical maternity benefits for insured women.

The Social Insurance Fund has made significant progress in constructing and staffing its own facilities for distribution of medical benefits. The modern administration building, erected in Panama City in 1945, contains a dental clinic with salaried dentists and a social insurance pharmacy where necessary medicines are supplied without cost to the insured person. Both services were established in 1945. The other medical care benefits are supplied by a physician who is selected by the patient; the latter receives from the Insurance Fund a partial payment of the costs of necessary attention. The Fund defrays hospital costs at the rate of 2 balboas¹⁹ per day up to 15 days a year, a rate which meets the full cost for certain types of accommodations (the so-called "half-pension" facilities in the Government Hospital), but not the cost of private rooms.

Whereas the main problem in the health and maternity program has been the best allocation of limited resources, the retirement program

¹⁹ The exchange value of the balboa is \$1 in United States currency.

has been concerned with the suitable investment of reserves. During 1945 and 1946 the Social Insurance Fund erected 6 apartment buildings containing some 420 units that are rented to insured persons. An additional project of 242 apartments was scheduled for completion in 1947. These buildings are the property of the Fund and are quite distinct from the important housing work of the Bank of Urbanization of Panama. The Insurance Fund is now considering means of making mortgage loans to insured persons on the pattern of the Chilean salaried employees' system.

Activities in the general field of public welfare included the creation on June 15, 1945, of a new Government department—the Ministry of Labor, Social Welfare, and Public Health, which took over existing functions from other ministries in an important reorganization. A National Youth Council was created in September 1946 as a branch of the Bureau of Social Welfare of the Ministry. In the same year the Ministry announced plans for constructing three new hospitals in 1947, including a 200-bed antituberculosis hospital, the first of its kind in the country. In the spring of 1947 the Ministry was authorized to approve a contract with the Social Insurance Fund for constructing and equipping this hospital at a cost of \$750,000.

Paraguay

The extension of medical and maternity care to the family of the insured worker appears to have been the most important Paraguayan social insurance development during the period under review. Before April 1945 the insured worker could get medical attention for his family by payment of an additional 3 percent of wages. By Decree No. 8,438 (Apr. 25, 1945), the dependent parents, spouse, children, brothers, and sisters of any insured worker earning not more than 150 guaraníes²⁰ per month are entitled to the same medical benefits as those for the insured worker at no extra cost.

The social insurance system encompasses retirement and survivor pen-

²⁰ The exchange value of the guaraní is approximately 32 cents in United States currency.

sions, employment injuries insurance, and health and maternity insurance. But the program is new—collections and benefits began early in 1944—and the benefits available in the early stages, except for work accidents, have been limited to medical attention in case of illness or maternity. Contributions are 5 percent of wages from the employer (plus 3 percent for employment injuries), 2 percent from the worker, and 1.5 percent from the Government.

Peru

Peru's general system of health, maternity, and pension insurance operated with very few changes in the past 2 years. The social security law itself is now more than 10 years old, dating from August 1936, and employer and Government contributions have been collected since 1937. The system first required worker contributions early in 1941, when it began to provide medical benefits. This characteristic of the Peruvian system—not to collect worker contributions until medical services are available—is found in a number of new Latin American health insurance laws.

The Peruvian system is limited to manual workers; no action was taken on a Senate Bill of 1945 to create a salaried employees' program similar to the Chilean white-collar funds. Coverage under the general system has been expanded by decrees covering workers regardless of their earnings, though collecting contributions and paying benefits only on the first 3,000 soles²¹ earned. In 1945, coverage was extended to persons working by the day regardless of their earnings. Government employees employed on public works also came under the program in 1945 for the first time.

The first old-age pensions probably became payable in 1946, since the workers with 5 years of contributions may receive a reduced pension at age 60. The main benefits for a long time to come will be those for sickness and maternity; medical care and cash benefits are provided for both risks. A 6-percent total contribution—3.5 percent from the employer, 1.5 per-

cent from the worker, and 1 percent from the Government—provides the financial resources. Benefits are limited to the insured worker unless an additional voluntary contribution is paid. There is no survivor pension, but a lump-sum payment of 33 percent of the deceased worker's average annual wage is paid to his wife and children.

Uruguay

Uruguayan social insurance consists primarily of eight retirement and survivors insurance programs with wide coverage and large aggregate benefits. During recent years much attention has been given to the problems of strengthening the finances and administration of the Funds and to drafting a law which will cover other risks, such as sickness—problems that Congress and the press discussed vigorously in 1945. The Institute of Retirement and Survivors Pensions, a general coordinating and supervisory body established in 1933, took steps to conduct a census of employers to obtain better enforcement of collections. In this connection, it was expected that the law of 1940 authorizing use of the stamp-book system for collecting contributions would give workers a chance to verify the fact that payments were being made on their behalf. The change in the method of making collections has taken place gradually.

The volume of claims for benefits, as an official committee pointed out in 1945, was straining administrative facilities. The Fund for commerce and industry recognizes years of employment before the establishment of the insurance system as counting toward the qualifying period for receipt of benefit. Careful investigation of claims is therefore essential and, though many records were being cleared and new pensions paid, a backlog of unsettled claims was accumulating. The picture during this period was thus one of substantial benefit expenditures under a system in which some reform and reorganization appeared to be necessary and highly probable.

In June 1947 the President transmitted a bill to the Congress proposing an administrative reorganization. It would abolish the Institute of Re-

tirement and Survivors Pensions and create out of its four constituent Funds three new autonomous agencies: (1) a Fund for commerce, industry, public services, and related fields; (2) a civil-service and teachers' Fund; and (3) a Fund for non-contributory pensions, rural workers' retirement, and service workers' retirement. Each agency would have headquarters in Montevideo and a special committee in each departmental capital in the interior of the country to supervise local personnel and evaluate the insurance operations.

Another development was the creation of an unemployment insurance fund in December 1945 for workers in the wool and hide industry. In general, this fund follows the same pattern as the program established for the meat-packing industry under the law of December 12, 1944. Workers paid by the hour, day, or piece are guaranteed 100 hours of work monthly, or compensation at a uniform rate if not employed the guaranteed number of hours. Because of the variable nature of the industry, the law does not determine benefits but authorizes a 5-member board to decide annually on the exact rates of benefit and the qualifying conditions for receiving payments. Financial support comes from a tax on employers of 4.5 percent of pay roll and on workers of 2 percent of wages, plus certain taxes on exported and on locally used wool. The law is liberal in its provision that only half the time worked outside the wool and hide industry is counted toward the number of hours of guaranteed employment.

Venezuela

Venezuela's program of health, maternity, and work accident insurance began operations on October 9, 1944, and was thus less than 3 months old at the beginning of 1945.²² It functions in the Federal District, the two adjacent municipalities of Chacao and Petare, and the seaport of La Guaira.

In its provisions for family medical care and for cash payments to the insured worker in case of sickness, the system is one of the most comprehensive in any country. From the time

²¹ The exchange value of the sol is approximately 15 cents in United States currency.

²² See the *Bulletin*, April 1946, pp. 3-8.

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Employment Security

Unemployment Claims and Benefits

State Programs ¹

During July, both initial and continued claims were about 7 percent above the June levels—about the same relative increase as in the number of working days. The increase in claims was widespread. Thirty-seven States shared in the rise in initial claims, which jumped for the country as a whole from 878,000 to 942,000, while 34 States reported an increase in continued claims, which rose from 4,906,000 to 5,218,000. One factor weighting the July claims load heavily was the practice current in many plants all over the country of shutting down for a few weeks each year to give all their employees a vacation. A large number of these employees had not been on the job long enough to be eligible for vacation pay and therefore were forced to fall back on unemployment benefits to tide them over the period of the shut-down. Lay-offs in the textile industry, which continued throughout July though on a reduced scale, contributed substantially to the claims load in the New England and Southern States. Short-term lay-offs because of a shortage of steel, particularly in the automobile industry, were also important factors. New York's new benefit year, which began June 2, influenced the national claims load considerably; though initial claims in New York dropped by 65,800, continued claims rose 134,100, or more than a third of the national increase.

Unemployment in the textile industries, particularly women's ap-

parel, continued to be a major factor in the claims load, though not to the extent it had been in May and June. The women's apparel industries, however, seem to have already covered a large part of the road back to their normal production. Their recent history—a wartime rise in production, a low in 1945 as a result of shortages of materials and labor, followed by record-breaking production in 1946 and then a return to more normal levels—is probably characteristic of what has occurred or has yet to take place in other industries. This type of adjustment, taking place in industry after industry over a considerable period of time, has kept claims for unemployment insurance relatively high despite the generally low volume of unemployment.

The unemployment caused by the steel shortage was primarily concentrated in Michigan in the automobile industry and, to a lesser extent, in Indiana. The lay-offs were short, sometimes less than a week, but were frequent, as is evident from the 68,800 increase in initial claims in Michigan (more than the national increase) and the small rise of 14,100 in continued claims.

Offsetting the unemployment resulting from steel shortages, vacation schedules, and the textile slump

were the continued seasonal upswing in employment in the canning industry and building construction and smaller gains in leather and lumber industries. It is estimated that 80,000 dwelling units were started in July as compared with 77,000 in June—one of the few times on record that new housing activity continued to increase after the middle of the year.

In all, 4,391,000 weeks of unemployment were compensated during July, as compared with 4,219,000 in June. As a result, benefit payments rose from \$73.6 million to \$76.7 million, the highest amount for any month in 1947. The relative increase in the number of weeks compensated and benefits paid was not as great, however, as the increase in the number of reporting days. The average weekly number of beneficiaries dropped somewhat, from 1,006,000 to 960,000.

The average weekly number of beneficiaries ranged from 821,000 to 1,033,000 during the month. The low of 821,000 in the week ended July 5 was undoubtedly the result of the holiday on the Fourth, when local offices were closed. Most States reported sharp declines in the last week of the month. Outstanding among these States were California with a decrease of 9,400, New Jersey with 14,200, and New York with 31,300.

The unemployment ratio for July stood at the same figure as in June—

Table 1.—Summary of unemployment insurance operations, July 1947

Item	Number or amount	Amount of change from—	
		June 1947	July 1946
Initial claims.....	1 942,000	+64,000	+260,000
New.....	1 616,000	+24,000	+131,000
Additional ²	1 325,000	+39,000	+128,000
Continued claims.....	1 5,218,000	+315,000	+286,000
Waiting-period ³	1 596,000	+48,000	+122,000
Compensable.....	1 4,621,000	+264,000	+409,000
Weeks compensated.....	4 4,391,000	+172,000	+472,000
Total unemployment.....	4 4,205,000	+183,000	+513,000
Other than total unemployment ⁴	4 186,000	-11,000	+41,000
First payments.....	4 402,000	-141,000	+17,000
Exhaustions.....	4 112,000	+7,000	-39,000
Weekly average beneficiaries.....	4 960,000	-46,000	-109,000
Benefits paid ⁵	4 \$76,679,000	+\$3,120,000	-\$11,729,000
Benefits paid since first payable ⁶	\$4,219,999,265		
Funds available as of July 31.....	\$7,055,958,907	+\$25,124,404	+\$316,413,519

¹ Includes estimate for the District of Columbia.

² Excludes Texas, which has no provision for filing additional claims, and Ohio before September 1946.

³ Excludes Maryland, which has no provision for filing waiting-period claims.

⁴ Includes estimates for Maine and Rhode Island;

also for Maryland and New York for total unemployment only.

⁵ Excludes Montana, which has no provision for payment of other than total unemployment.

⁶ Gross: not adjusted for voided benefit checks.

⁷ Net: adjusted for voided benefit checks.

¹ Beginning with this issue of the *Bulletin* the content of the regular tables has been changed as a result of the retrenchment in the reporting program made necessary by budget reductions for the fiscal year 1947-48. Data on women claimants have been eliminated except in the tables for initial and continued claims. The weekly number of individuals compensated for total unemployment is no longer reported, and only the number compensated for all types of unemployment will be shown. Interstate activities will be published quarterly instead of monthly.

4.0 percent. In only four States—Florida, Maine, Mississippi, and Rhode Island—did this ratio vary as

much as a full percentage point from June to July. The largest ratios as usual were in California (6.7 percent),

New Jersey (6.1 percent), New York (6.6 percent), and Tennessee (6.1 percent).

Table 2.—Initial claims received in local offices, by State, July 1947

[Data reported by State agencies; corrected to Aug. 18, 1947]

Region and State	Total			New ¹	
	All claimants	Amount of change from—		All claimants	Women claimants
		June 1947	July 1946		
Total ²	942,000	+64,000	+260,000	414,000	267,000
Region I:					
Conn.....	16,765	+5,306	+6,011	9,151	13,712
Maine.....	4,016	-1,358	+635	1,964	2,202
Mass.....	39,720	-5,516	+12,660	18,724	26,847
N. H.....	2,862	-313	+1,836	1,502	1,554
R. I.....	11,581	+2,677	+5,089	5,315	8,341
Vt.....	1,088	-10	+687	475	667
Region II-III:					
Del.....	1,318	-49	+133	575	912
N. J.....	50,715	+5,803	+19,156	24,930	33,142
N. Y.....	182,804	-65,804	+56,475	90,786	91,828
Pa.....	70,510	-20,718	+18,036	28,724	47,903
Region IV:					
D. C. ³	12,341	+1,690	+3,400	5,294	9,903
Md.....	14,142	+449	+8,239	8,676	10,437
N. C.....	4,508	-601	-436	2,179	4,005
W. Va.....	8,616	+2,012	-1,899	2,171	7,325
Region V:					
Ky.....	6,199	-516	-639	2,380	4,842
Mich.....	118,587	+68,781	+79,719	33,728	70,114
Ohio.....	26,333	+9,884	+9,971	12,274	20,110
Region VI:					
Ill.....	52,055	+5,932	+6,079	26,050	36,905
Ind.....	23,681	+7,604	+7,920	11,145	14,074
Wis.....	6,418	+2,061	+680	3,341	4,518
Region VII:					
Ala.....	11,160	+3,256	+1,172	3,317	9,147
Fla.....	16,824	+5,296	+6,681	9,285	12,371
Ga.....	10,899	-96	+5,311	5,671	7,723
Miss.....	4,027	+457	+407	(⁴)	3,311
S. C.....	5,788	+1,065	+2,756	2,529	4,402
Tenn.....	11,112	+279	+2,145	5,478	8,721
Region VIII:					
Iowa.....	2,723	+322	-925	1,501	2,122
Minn.....	3,467	-300	-1,315	1,657	2,597
Nebr.....	4,022	+99	-827	405	647
N. Dak.....	153	+31	-275	106	99
S. Dak.....	139	+12	-254	81	114
Region IX:					
Ark.....	8,619	+4,528	-4,150	2,779	8,404
Kans.....	3,669	+1,041	-1,503	1,605	2,809
Mo.....	24,470	+1,295	-433	11,021	14,782
Okl.....	5,663	+952	-2,670	1,841	4,233
Region X:					
La.....	8,349	+573	-1,433	2,614	6,694
N. Mex.....	800	+135	+71	268	674
Tex.....	11,991	+725	-963	4,622	11,991
Region XI:					
Colo.....	2,090	+639	+70	901	1,418
Idaho.....	1,864	+1,221	+760	1,428	1,841
Mont.....	688	+121	-586	335	529
Utah.....	3,256	+1,984	-1,671	1,658	3,077
Wyo.....	319	+56	+14	(⁴)	255
Region XII:					
Ariz.....	3,491	+1,219	+1,380	1,193	2,778
Calif.....	105,680	+10,362	+29,634	46,359	60,801
Nev.....	1,045	+170	+394	429	817
Oreg.....	8,019	-8,662	+2,080	3,147	6,692
Wash.....	28,704	+19,331	-10,533	11,398	26,563
Regions XIII and XIV:					
Alaska.....	94	-1	+63	68	57
Hawaii.....	359	+32	+312	72	276

¹ Includes additional claims in Texas.

² Includes estimates for the District of Columbia, and for women claimants only in Mississippi and Wyoming.

³ Data not received.

⁴ Since Wisconsin has no provision for a benefit year, a new claim is a claim requiring a determination of benefit amount and duration, as well as eligibility for benefits, on a per employer basis.

Table 3.—Continued claims ¹ received in local offices, by State, July 1947

[Data reported by State agencies; corrected to Aug. 18, 1947]

Region and State	Total ²			Compensable	
	All claimants	Amount of change from—		All claimants	Women claimants
		June 1947	July 1946		
Total ³	5,218,000	+313,000	-286,000	2,659,000	4,621,000
Region I:					
Conn.....	85,208	+12,123	+29,352	46,522	75,720
Maine.....	38,721	-11,215	-2,499	20,746	37,083
Mass.....	372,780	-6,900	+106,606	187,518	344,305
N. H.....	25,996	-5,182	+17,575	14,791	24,441
R. I.....	71,866	+1,573	+4,825	37,467	65,424
Vt.....	9,986	-635	+3,566	5,249	9,535
Region II-III:					
Del.....	7,222	+452	-1,271	3,590	6,599
N. J.....	339,687	+23,356	+47,473	182,012	310,078
N. Y.....	1,168,449	+134,083	+151,382	627,421	970,255
Pa.....	420,017	+6,880	-92,053	188,094	383,106
Region IV:					
D. C. ⁴	74,616	+823	-20,572	36,316	74,616
Md.....	92,805	+6,617	+45,903	67,453	82,932
N. C.....	57,456	+2,343	-15,088	39,013	54,645
W. Va.....	51,359	+2,917	-34,390	15,003	49,402
Region V:					
Ky.....	62,700	+13,627	-19,672	31,896	58,799
Mich.....	173,055	+14,079	-187,285	68,385	150,450
Ohio.....	143,094	+20,797	-85,884	67,906	111,049
Region VI:					
Ill.....	350,329	+30,482	-95,318	200,312	335,982
Ind.....	59,477	+10,412	-23,796	29,677	50,014
Wis.....	24,127	+1,81	-16,747	13,876	18,367
Region VII:					
Ala.....	68,336	+11,805	+1,954	27,135	62,210
Fla.....	82,159	+21,581	+32,102	46,328	73,010
Ga.....	75,097	+10,261	+33,691	47,787	61,186
Miss.....	25,380	+4,897	+1,889	(⁴)	21,294
S. C.....	20,321	+4,001	+1,398	10,794	17,682
Tenn.....	105,237	+12,225	+14,619	56,999	98,164
Region VIII:					
Iowa.....	17,292	+775	-11,976	9,003	15,173
Minn.....	15,212	-1,770	-18,182	7,585	13,389
Nebr.....	4,405	-118	-3,357	2,514	3,614
N. Dak.....	874	-174	-2,916	582	846
S. Dak.....	984	-265	-2,237	619	943
Region IX:					
Ark.....	25,818	+879	-24,373	8,890	22,727
Kans.....	21,077	+333	-22,296	9,459	19,825
Mo.....	134,216	+4,038	-15,799	64,162	113,837
Okl.....	24,245	-694	-29,960	8,561	22,140
Region X:					
La.....	34,032	+1,140	-19,997	12,494	29,659
N. Mex.....	3,466	-83	-2,175	1,074	3,122
Tex.....	42,304	+1,608	-23,295	19,326	34,292
Region XI:					
Colo.....	10,005	+156	-8,089	4,613	8,779
Idaho.....	5,236	-725	-1,011	4,007	4,718
Mont.....	4,831	-541	-5,356	2,698	2,446
Utah.....	7,665	+1,012	-5,530	4,052	5,657
Wyo.....	1,469	+23	-480	(⁴)	1,202
Region XII:					
Ariz.....	11,801	+1,976	-245	5,313	10,621
Calif.....	696,672	-28,478	+79,112	346,235	646,825
Nev.....	4,878	+296	+941	2,003	4,634
Oreg.....	44,803	+10,919	-6,058	20,074	38,557
Wash.....	75,248	-817	-60,721	33,030	54,643
Regions XIII and XIV:					
Alaska.....	585	-14	+451	363	550
Hawaii.....	1,946	-232	+1,748	839	1,746

¹ In some States 1 claim covers more than 1 week.

² Includes waiting-period claims except in Maryland, which has no provision for filing such claims.

³ Includes estimates for the District of Columbia, and for women claimants only in Mississippi and Wyoming.

⁴ Data not received.

Table 4.—Number of individuals¹ compensated during weeks ended in July 1947 and number of weeks compensated and amount of benefits paid in July 1947

[Data reported by State agencies; corrected to Aug. 18, 1947]

Region and State	All types of unemployment							Total unemployment			
	Individuals compensated during week ended—				Weeks compensated			Benefits paid ¹	Weeks compensated	Benefits paid	Average weekly payment
	July 5	July 12	July 19	July 26	Number	Amount of change from—					
						June 1947	July 1946				
Total ²	821,000	1,015,000	1,033,000	969,000	4,391,000	+172,000	-472,000	\$76,679,000	4,205,000	\$74,405,000	\$17.69
Region I:											
Connecticut.....	10,534	12,532	17,066	15,465	67,673	+10,381	-17,517	1,264,464	66,015	1,245,866	18.87
Maine.....											
Massachusetts.....	67,152	65,784	64,488	62,662	301,594	-3,820	+89,347	6,402,963	286,549	6,248,023	21.80
New Hampshire.....	3,860	5,737	6,062	3,963	22,238	-3,562	+16,888	338,760	20,666	322,599	15.61
Rhode Island.....											
Vermont.....	1,834	2,255	1,860	1,794	8,906	-733	+3,985	145,929	8,451	141,521	16.75
Region II-III:											
Delaware.....	1,037	1,621	1,300	1,177	5,846	+210	-1,793	83,373	5,539	80,882	14.60
New Jersey.....	55,065	67,006	67,860	53,629	281,239	-21,977	+7,122	5,374,803	271,394	5,263,628	19.39
New York.....	163,442	221,936	258,592	227,328	1,005,134	+182,838	+118,078	18,819,453	(⁴)	(⁴)	(⁴)
Pennsylvania.....	67,111	75,157	83,761	83,017	363,178	-2,964	-84,864	6,118,578	357,665	6,063,888	16.95
Region IV:											
District of Columbia.....	1,901	2,721	2,247	2,417	10,611	-3,970	+566	172,431	10,524	170,972	16.25
Maryland.....	14,498	18,383	16,363	15,043	73,802	-91	-44,351	1,295,186	(⁴)	(⁴)	(⁴)
North Carolina.....	12,184	18,237	17,876	17,675	76,790	+10,511	+37,826	841,795	72,747	813,017	11.18
Virginia.....	9,212	13,240	12,835	11,733	53,340	+3,090	-14,421	625,713	51,871	612,950	11.82
West Virginia.....	7,279	9,814	7,311	8,634	37,481	-449	-22,417	552,010	34,728	520,606	15.25
Region V:											
Kentucky.....	9,432	12,096	10,997	10,542	43,067	+6,513	-7,338	461,396	41,731	452,010	10.83
Michigan.....	23,620	28,007	31,456	33,946	139,258	-305	-168,490	2,499,226	113,388	2,240,987	19.76
Ohio.....	18,450	24,841	22,346	22,089	101,797	+7,060	-105,533	1,707,277	98,926	1,678,536	16.97
Region VI:											
Illinois.....	49,556	72,835	63,940	64,188	287,455	+11,960	-130,160	5,070,147	273,032	4,921,994	18.03
Indiana.....	7,466	9,924	9,818	9,466	39,662	-539	-33,527	643,366	36,804	616,772	16.76
Wisconsin.....	2,574	4,094	3,562	3,574	15,819	-1,308	-13,808	249,322	13,885	225,970	16.27
Region VII:											
Alabama.....	9,967	11,755	15,334	13,255	58,838	+10,140	-5,784	844,655	56,917	826,921	14.53
Florida.....	8,938	13,580	14,261	13,653	60,534	+15,764	+24,812	809,334	59,033	782,737	13.26
Georgia.....	10,068	12,900	14,652	12,385	58,366	+10,507	+28,886	755,520	55,450	732,765	13.21
Mississippi.....	1,621	3,846	4,398	4,230	16,967	+3,758	+6,873	197,344	15,512	182,918	11.79
South Carolina.....	4,298	5,400	5,799	5,098	23,995	+7,102	+12,598	330,892	23,337	326,266	13.98
Tennessee.....	14,598	22,786	14,609	23,897	85,753	+6,812	+11,260	1,100,714	82,912	1,077,484	13.00
Region VIII:											
Iowa.....	1,752	3,135	3,017	2,230	11,598	-1,039	-8,377	159,678	10,650	151,703	14.24
Minnesota.....	4,773	6,734	6,114	5,356	25,894	-2,351	-17,957	378,972	24,552	365,812	14.90
Nebraska.....	1,026	1,087	1,066	926	4,350	-1,063	-6,429	60,279	4,070	57,343	14.09
North Dakota.....	62	0	282	151	610	-20	-611	10,219	507	8,948	17.65
South Dakota.....	45	135	92	51	382	-217	-409	5,012	354	4,736	13.38
Region IX:											
Arkansas.....	3,249	4,145	2,573	3,504	16,545	-3,425	+4,110	242,438	16,084	237,035	14.74
Kansas.....	2,344	4,368	3,472	3,199	14,950	-2,966	-25,897	215,272	14,122	207,331	14.68
Missouri.....	15,938	24,318	23,682	21,912	98,635	-633	-7,750	1,587,413	95,725	1,565,668	16.36
Oklahoma.....	3,015	9,958	7,043	7,724	31,829	-2,421	-10,897	502,212	30,623	489,656	15.99
Region X:											
Louisiana.....	5,037	11,927	9,410	8,820	40,751	-505	-18,687	542,522	39,086	525,281	13.44
New Mexico.....	518	383	489	416	1,933	-401	+221	25,849	1,888	25,397	13.45
Texas.....	7,338	11,030	12,250	9,962	48,206	+502	-27,822	643,603	44,994	616,949	13.71
Region XI:											
Colorado.....	1,116	1,492	1,579	1,759	7,008	-502	-7,007	104,614	6,764	102,223	15.11
Idaho.....	1,020	1,353	97	461	3,346	-372	-232	49,290	3,269	48,400	14.81
Montana.....	807	881	818	779	3,686	-545	-1,794	53,945	3,686	53,945	14.64
Utah.....	1,105	1,678	712	388	4,531	-1,871	-3,612	90,628	4,282	95,844	22.38
Wyoming.....	241	300	351	247	1,214	-338	-372	21,382	1,116	20,179	18.08
Region XII:											
Arizona.....	954	1,124	1,438	1,710	6,476	+1,243	-486	112,792	6,334	110,881	17.51
California.....	150,611	142,955	145,629	136,259	638,213	-36,727	+26,637	11,859,222	617,018	11,591,349	18.79
Nevada.....	577	903	803	692	3,713	-186	+509	69,403	3,597	67,489	18.70
Oregon.....	4,850	6,097	7,327	7,679	30,971	+4,673	-19,043	499,875	29,721	486,878	16.38
Washington.....	11,552	16,420	7,695	5,734	44,838	-25,372	-65,697	863,673	42,966	835,020	19.43
Regions XIII and XIV:											
Alaska.....	250	290	294	256	1,235	-98	+104	26,597	1,192	25,996	21.81
Hawaii.....	173	471	290	264	1,513	-1,001	+1,009	26,966	1,227	24,538	20.00

¹ The number of individuals is assumed to be identical with the number of weeks compensated, which may result in a slight overstatement of the number of individuals.

² Gross: not adjusted for voided benefit checks and transfers under interstate combined-wage plan.

³ Includes estimates for Maine and Rhode Island, and for total unemployment only in Maryland and New York.

⁴ Data not received.

Time Lapse in Benefit Payments, January-March 1947

During January-March 1947, for the second successive quarter, a slight

Table 5.—Unemployment in week ended July 12, 1947, as reflected by continued claims for unemployment insurance¹ as percent of average covered employment in 1946

Region and State	Claims ¹	Average covered employment ² (in thousands)	Claims as percent of covered employment
Total.....	1,172,184	29,555.4	4.0
Region I:			
Connecticut.....	20,141	590.9	3.4
Maine.....	8,436	164.6	5.1
Massachusetts.....	81,030	1,398.2	5.8
New Hampshire.....	5,832	125.3	4.7
Rhode Island.....	5,739	227.8	2.5
Vermont.....	2,181	60.5	3.6
Region II-III:			
Delaware.....	1,710	82.4	2.1
New Jersey.....	71,834	1,182.1	6.1
New York.....	263,653	4,007.0	6.6
Pennsylvania.....	91,294	2,778.6	3.3
Region IV:			
District of Columbia.....	3,178	209.3	1.5
Maryland.....	17,542	516.7	3.4
North Carolina.....	23,600	581.4	4.1
Virginia.....	13,825	436.2	3.2
West Virginia.....	11,560	342.1	3.4
Region V:			
Kentucky.....	13,332	332.9	4.0
Michigan.....	35,725	1,419.6	2.5
Ohio.....	31,000	2,012.2	1.5
Region VI:			
Illinois.....	82,646	2,191.6	3.8
Indiana.....	15,158	792.5	1.9
Wisconsin.....	5,643	660.2	.9
Region VII:			
Alabama.....	15,308	372.4	4.1
Florida.....	19,408	333.7	5.8
Georgia.....	16,690	473.3	3.5
Mississippi.....	6,821	163.8	4.2
South Carolina.....	6,702	274.5	2.4
Tennessee.....	27,895	456.1	6.1
Region VIII:			
Iowa.....	4,032	307.1	1.3
Minnesota.....	7,226	493.2	1.5
Nebraska.....	1,408	142.2	1.0
North Dakota.....	206	34.7	.6
South Dakota.....	228	42.3	.5
Region IX:			
Arkansas.....	4,512	188.1	2.4
Kansas.....	4,457	304.4	2.2
Missouri.....	29,860	708.1	4.2
Oklahoma.....	10,132	230.7	4.4
Region X:			
Louisiana.....	12,760	363.9	3.5
New Mexico.....	764	72.1	1.1
Texas.....	15,228	986.3	1.5
Region XI:			
Colorado.....	2,239	169.1	1.3
Idaho.....	955	79.9	1.2
Montana.....	1,105	82.0	1.3
Utah.....	1,910	105.9	1.8
Wyoming.....	314	45.6	.7
Region XII:			
Arizona.....	2,556	86.5	3.0
California.....	148,778	2,233.1	6.7
Nevada.....	1,052	36.8	2.9
Oregon.....	9,185	275.4	3.3
Washington.....	15,394	482.1	3.2

¹ Estimated number of continued claims for unemployment in the week in which the 8th of the month falls.

² Estimated number of workers in covered employment in the pay period of each type (weekly, semi-monthly, etc.) ending nearest the 15th of the month; corrected to June 2, 1947.

improvement was reported in the promptness with which benefit payments were issued. Payments based on claims taken biweekly showed a greater improvement over the preceding quarter than did payments based on claims taken weekly, as illustrated by the proportions of payments issued within 2 weeks, shown in the next column. Moreover, a significant drop occurred in the proportions of payments delayed 6 or

Period	Weekly		Biweekly	
	First payments (percent)	Second and subsequent payments (percent)	First payments (percent)	Second and subsequent payments (percent)
July-September 1946.....	70.4	88.7	46.4	64.4
October-December 1946.....	77.8	90.9	47.8	60.5
January-March 1947.....	75.7	92.1	50.8	69.4

Table 6.—Interstate claims received, weeks compensated by interstate payments, and amount of interstate benefit payments, by liable State, April-June 1947

[Data reported by State agencies; corrected to Aug. 18, 1947]

Region and liable State	Initial		Continued		Weeks compensated	Benefit payments
	Total	Women	Total	Women		
Total.....	116,339	52,222	788,590	357,348	563,279	\$10,115,503
Region I:						
Connecticut.....	3,326	1,302	20,003	7,875	12,709	256,653
Maine.....						
Massachusetts.....	3,093	1,438	16,536	7,499	10,471	232,019
New Hampshire.....	892	421	5,607	2,638	3,754	53,382
Rhode Island.....	1,756	774	7,163	3,509	5,395	89,666
Vermont.....	343	128	1,291	489	1,051	18,931
Region II-III:						
Delaware.....	428	144	2,739	794	1,760	29,068
New Jersey.....	4,258	1,821	30,956	13,745	25,874	508,187
New York.....	13,889	7,386	94,255	54,068	67,615	1,309,697
Pennsylvania.....	5,203	2,115	34,170	13,257	22,953	406,809
Region IV:						
District of Columbia.....	1,394	710	8,238	4,532	6,089	108,095
Maryland.....	4,303	1,709	17,650	7,340	10,660	212,895
North Carolina.....	1,368	736	10,049	5,063	6,449	74,548
Virginia.....	1,625	791	9,858	4,526	6,109	85,903
West Virginia.....	1,124	281	8,793	1,692	5,372	85,892
Region V:						
Kentucky.....	1,475	383	10,949	4,773	5,159	57,880
Michigan.....	4,023	1,310	27,194	8,473	15,677	300,347
Ohio.....	3,866	1,401	28,586	9,666	14,583	274,909
Region VI:						
Illinois.....	11,461	6,111	69,780	36,025	45,964	848,382
Indiana.....	2,117	744	10,474	3,223	6,130	108,367
Wisconsin.....	710	309	3,306	1,588	1,702	28,235
Region VII:						
Alabama.....	1,222	445	6,579	2,251	4,412	69,783
Florida.....	4,239	1,878	17,505	8,129	9,204	126,164
Georgia.....	1,610	801	8,488	4,618	4,825	67,355
Mississippi.....	747	298	3,932	1,554	2,623	34,028
South Carolina.....	592	255	2,835	1,318	1,665	23,580
Tennessee.....	2,908	1,193	27,223	11,339	18,022	250,470
Region VIII:						
Iowa.....	548	272	3,609	1,542	1,392	20,473
Minnesota.....	711	378	3,676	1,683	2,570	39,001
Nebraska.....	532	275	3,589	1,823	2,497	37,874
North Dakota.....	121	58	436	201	405	6,997
South Dakota.....	108	51	405	200		
Region IX:						
Arkansas.....	281	109	3,361	1,491	2,087	25,407
Kansas.....	1,851	643	15,312	4,845	11,394	167,585
Missouri.....	4,230	2,232	34,640	19,918	24,758	414,951
Oklahoma.....	1,483	744	6,779	2,875	4,192	68,773
Region X:						
Louisiana.....	821	318	4,520	1,794	3,432	52,602
New Mexico.....	434	182	2,338	867	1,534	20,201
Texas.....	2,905	1,205	18,387	6,560	10,764	157,659
Region XI:						
Colorado.....	1,279	670	4,527	2,242	2,323	33,348
Idaho.....	273	103	2,145	647	1,548	25,254
Montana.....	228	98	1,723	715	1,269	21,158
Utah.....	421	158	3,413	1,106	2,669	61,429
Wyoming.....	348	109	2,167	604	1,525	28,702
Region XII:						
Arizona.....	1,085	437	4,248	1,783	2,922	41,084
California.....	15,044	6,972	120,927	56,754	106,870	2,027,348
Nevada.....	590	217	4,232	1,473	3,219	58,638
Oregon.....	1,094	510	13,009	5,606	10,232	153,939
Washington.....	3,336	1,508	46,490	20,680	46,411	918,990
Regions XIII and XIV:						
Alaska.....	568	63	3,504	643	2,364	54,005
Hawaii.....	75	26	994	292	805	18,040

¹ Excludes Maine; data not received.

more weeks after the end of the compensable week. This improved performance occurred despite the increased volume of payments in both interstate and intrastate first and second and subsequent payments.

The greatest improvement was evidenced with respect to intrastate second and subsequent payments, comprising about 85 percent of all payments issued. The proportion of these payments issued within the 2-week pe-

riod rose from 84.0 to 86.4 percent. While the improvement is small in percentage terms, it is significant as a continuation of the improvement since the January-March 1946 quarter, when the volume of payments

Table 7.—Time elapsed in the issuance of intrastate benefit payments for total unemployment based on claims taken at weekly intervals, 42 States, January-March 1947¹

[Data reported by State agencies; corrected to May 26, 1947]

State	First payments			Second and subsequent payments		
	Number	Percent of payments issued—		Number	Percent of payments issued—	
		Within 2 weeks	In 6 weeks or more		Within 2 weeks	In 6 weeks or more
Total.....	731,743	75.7	4.3	7,322,874	92.1	1.8
Calendar week ²	303,291	78.8	3.3	3,624,880	92.1	1.7
Connecticut.....	10,821	37.7	10.8	87,229	74.9	5.0
District of Columbia.....	4,456	44.1	6.8	37,627	62.4	1.9
Indiana.....	14,046	53.3	4.3	96,852	92.7	2.0
Kansas.....	6,488	75.1	11.7	61,406	82.4	9.6
Maine.....	5,645	88.3	1.5	79,059	97.6	.5
Massachusetts.....	45,514	86.4	2.4	494,937	96.4	1.1
Nevada.....	1,125	92.6	.5	8,558	96.0	.2
New Hampshire.....	3,176	88.7	.9	20,303	96.8	.5
New York.....	131,924	79.4	3.3	1,865,131	91.3	1.9
Ohio.....	12,683	77.7	4.5	137,202	83.2	2.9
Oregon.....	24,775	91.2	.9	133,957	96.6	.5
Rhode Island.....	7,289	82.8	.7	62,415	97.9	.2
Utah.....	3,210	75.4	2.9	33,828	94.5	.8
Vermont.....	985	81.7	2.5	7,590	93.7	.5
Washington.....	25,051	85.3	1.7	448,486	97.1	.5
Wisconsin.....	6,103	74.8	5.7	50,210	92.1	2.0
Flexible week ⁴	428,452	73.5	4.9	3,697,904	92.2	1.9
Alabama.....	11,142	84.6	2.6	119,057	95.1	1.4
Alaska.....	880	75.0	.3	6,105	91.1	.1
Arizona.....	1,877	93.8	1.5	11,514	97.2	.8
California.....	160,530	88.3	2.9	1,639,954	96.9	1.1
Colorado.....	1,794	91.2	1.0	14,401	96.6	.6
Delaware.....	2,396	91.9	.8	20,271	98.3	.4
Florida.....	9,924	46.9	8.4	65,497	85.8	2.6
Georgia.....	7,538	88.6	1.6	64,435	95.9	.8
Hawaii.....	176	39.8	33.0	1,883	50.2	21.7
Idaho.....	1,014	75.1	4.3	6,859	89.5	1.3
Iowa.....	5,926	82.2	7.0	47,081	90.2	5.2
Kentucky.....	8,124	57.3	14.7	86,086	65.4	8.1
Maryland.....	12,178	96.9	1.2	132,427	96.6	1.5
Michigan.....	51,907	25.1	14.8	402,482	80.1	5.0
Mississippi.....	4,294	72.9	3.7	37,047	87.0	1.7
Montana.....	3,032	97.7	.5	22,187	98.7	.2
Nebraska.....	1,811	77.6	5.0	13,085	88.7	2.8
New Mexico.....	967	35.5	15.5	6,458	72.5	7.3
North Carolina.....	11,113	61.3	4.6	78,383	85.8	2.9
North Dakota.....	733	86.1	2.3	5,737	89.6	1.5
Pennsylvania.....	104,109	70.6	3.0	774,384	91.1	1.1
South Dakota.....	719	56.3	1.5	4,218	84.9	.4
Texas.....	16,965	78.7	7.3	55,701	90.4	3.2
Virginia.....	5,914	95.5	.6	45,946	98.1	.3
West Virginia.....	2,765	73.6	8.5	33,086	91.0	4.0
Wyoming.....	624	85.7	1.6	3,650	94.3	.4

¹ Represents number of weeks elapsed between the end of the benefit period and the date of payment. Includes intrastate benefit payments only from those States which take claims on a weekly basis and from Texas where claims are filed in each week following the statutory 2-week benefit period.

² A calendar week is a period of 7 consecutive days, uniform for all claimants, usually ending on Saturday.

³ Since Wisconsin State law does not provide for a benefit year, figure represents number of first payments in connection with each spell of unemployment.

⁴ A flexible week is a period of 7 consecutive days, beginning on the date a claim is filed.

Table 8.—Time elapsed in the issuance of interstate benefit payments for all types of unemployment, by State, January-March 1947¹

[Data reported by State agencies; corrected to May 26, 1947]

State	First payments			Second and subsequent payments		
	Number	Percent of payments issued—		Number	Percent of payments issued—	
		Within 2 weeks	In 6 weeks or more		Within 2 weeks	In 6 weeks or more
Total.....	53,309	35.1	16.9	683,299	39.8	9.5
Calendar week ²	21,540	34.2	12.8	305,129	32.8	6.9
Arkansas.....	655	59.7	9.0	5,511	53.1	3.2
Connecticut.....	1,267	12.9	25.3	14,719	41.8	8.5
District of Columbia.....	421	24.5	15.2	6,241	47.8	4.6
Indiana.....	515	7.0	16.3	6,178	35.1	8.7
Kansas.....	1,352	62.4	10.7	14,294	52.5	6.4
Maine.....	243	67.1	7.8	2,174	86.2	4.8
Massachusetts.....	945	48.3	17.1	8,589	62.4	9.4
Nevada.....	333	76.3	3.0	2,962	78.8	1.1
New Hampshire.....	280	80.7	2.9	3,316	95.6	.9
New York.....	4,530	30.7	14.3	85,072	29.1	7.4
Ohio.....	1,290	28.1	16.4	19,937	34.2	10.7
Oklahoma.....	615	16.4	10.2	7,263	56.9	4.3
Oregon.....	2,432	67.6	6.0	14,245	64.2	3.6
Rhode Island.....	639	62.8	5.9	6,523	81.9	2.7
Tennessee.....	1,704	23.4	10.6	18,304	34.2	7.8
Utah.....	303	23.1	11.2	3,428	44.1	4.6
Vermont.....	79	68.4	3.8	796	80.9	.4
Washington.....	3,758	6.9	13.2	84,012	7.4	6.8
Wisconsin.....	179	25.1	36.9	1,565	53.5	15.0
Flexible week ⁴	31,769	35.7	19.8	378,170	45.4	11.6
Alabama.....	453	73.5	6.2	5,859	78.5	4.8
Alaska.....	240	47.5	.8	2,294	45.4	.2
Arizona.....	404	64.9	6.7	2,815	73.5	4.2
California.....	9,777	31.0	20.3	136,609	40.9	11.5
Colorado.....	350	69.4	2.0	3,006	75.7	2.1
Delaware.....	186	72.6	4.8	1,883	85.8	2.2
Florida.....	798	56.5	8.0	7,316	72.0	3.9
Georgia.....	496	61.1	6.9	4,850	74.0	3.5
Hawaii.....	23	8.7	17.4	360	7.2	3.6
Idaho.....	282	62.4	9.6	2,179	77.4	3.3
Illinois.....	3,193	4.2	33.9	49,419	3.3	21.6
Iowa.....	295	55.3	9.2	2,530	72.0	4.3
Kentucky.....	824	2.3	22.7	5,455	3.1	13.8
Louisiana.....	407	35.1	14.0	5,556	66.6	3.8
Maryland.....	1,533	69.1	15.5	16,815	73.6	12.4
Michigan.....	1,407	21.3	31.5	17,949	49.8	19.7
Minnesota.....	317	17.7	15.1	3,397	57.0	4.8
Mississippi.....	311	34.1	11.9	2,710	54.2	6.6
Missouri.....	1,827	5.5	42.9	18,610	29.0	11.8
Montana.....	196	87.8	3.1	1,608	93.0	1.2
Nebraska.....	306	49.7	18.6	2,910	72.1	5.6
New Jersey.....	2,100	40.1	21.0	30,611	58.8	11.7
New Mexico.....	223	23.3	28.3	1,639	49.9	12.9
North Carolina.....	598	49.7	8.0	8,222	65.8	3.1
North Dakota.....	69	56.5	13.0	792	68.6	5.4
Pennsylvania.....	2,051	43.6	9.5	21,063	56.3	7.8
South Carolina.....	150	38.0	16.7	1,514	60.5	9.0
South Dakota.....	59	50.8	10.2	441	59.2	2.0
Texas.....	1,549	51.1	10.5	5,373	58.0	5.6
Virginia.....	881	65.5	7.2	7,847	84.3	2.0
West Virginia.....	526	30.6	32.3	4,980	79.6	9.9
Wyoming.....	238	68.1	4.2	1,558	75.0	1.9

¹ Represents number of weeks elapsed between the end of the benefit period and the date of payment. Includes all interstate benefit payments regardless of the frequency of claims-taking within the State.

² A calendar week is a period of 7 consecutive days, uniform for all claimants, usually ending on Saturday.

³ Since Wisconsin State law does not provide for a benefit year, figure represents number of first payments in connection with each spell of unemployment.

⁴ A flexible week is a period of 7 consecutive days, beginning on the date a claim is filed.

reached a postwar high and the proportion of payments issued in 2 weeks fell to an all-time low.

Veterans' Unemployment Allowances

Although total initial claims (475,650) for veterans' unemployment allowances were 3 percent fewer than in June for the country as a whole, 17 States reported increases in July. In absolute terms these increases ranged from 16 in Nevada to more than 6,000 in Michigan and Ohio. Shortages of

steel resulting in lay-offs in the automobile and other industries using steel were the chief cause for the rise in Michigan and Ohio.

Continued claims rose 14 percent to 3.4 million. Slight declines were registered in nine States, all west of the Mississippi River. About \$66 million was paid for 3.3 million weeks of unemployment, 13 percent more than the amount paid and the number of weeks compensated in the preceding month. About a fourth of the States reported declines in both the number of weeks

compensated and the amounts paid, but the decreases were generally insignificant.

Nonfarm Placements

Nonagricultural employment, as reported by the Bureau of the Census, rose to 50 million in July—a new high, but an increase of less than 1 percent over the number in the preceding month. Total nonfarm placements in July—454,486—also remained close to the number for June, increasing only 0.2 percent. Thirty

Table 9.—Time elapsed in the issuance of intrastate benefit payments for total unemployment based on claims taken at biweekly intervals, 26 States, January–March 1947¹

[Data reported by State agencies; corrected to May 26, 1947]

State	First payments			Second and subsequent payments		
	Number	Percent of payments issued—		Number	Percent of payments issued—	
		With- in 2 weeks	In 6 weeks or more		With- in 2 weeks	In 6 weeks or more
Total.....	229,326	50.7	7.2	2,429,869	69.4	4.1
Calendar week ²						
Alabama.....	55,499	47.6	6.0	610,762	59.7	3.2
Arkansas.....	7,457	62.8	12.5	57,910	67.8	5.8
Kansas.....	716	62.2	16.9	7,889	49.8	13.6
New Hampshire.....	13	76.9	0	316	46.8	3.2
New York.....	6,512	34.3	0	118,696	64.0	1
Ohio.....	11,460	55.6	6.0	131,179	63.2	2.7
Oklahoma.....	8,730	42.1	2.8	95,256	68.8	1.9
Tennessee.....	18,538	41.7	6.9	169,405	45.7	5.4
Vermont.....	15	66.7	6.7	180	84.4	0
Washington.....	2,058	61.8	2.0	29,961	64.3	9
Flexible week ³						
Alabama.....	173,827	51.7	7.5	1,819,107	72.6	4.4
Arizona.....	8	62.5	0	93	90.3	2.2
Georgia.....	93	87.1	2.2	632	89.4	1.4
Idaho.....	3,129	74.9	2.2	27,653	90.9	1.2
Illinois.....	1,600	47.9	7.3	11,417	81.9	3.1
Louisiana.....	44,035	55.2	9.9	570,674	64.9	5.2
Maine.....	8,718	66.4	4.4	105,583	83.5	1.9
Maryland.....	54	70.4	29.6	386	82.9	15.4
Minnesota.....	10,770	55.3	4.0	83,984	81.0	1.2
Missouri.....	24,274	60.1	9.4	263,449	82.7	1.5
Nebraska.....	1,381	72.6	8.8	12,083	84.3	4.9
New Jersey.....	67,721	42.8	6.1	632,200	69.6	6.0
New Mexico.....	18	0	5.6	146	49.3	4.1
North Carolina.....	28	3.6	35.7	796	40.6	18.3
South Carolina.....	4,125	36.0	8.5	34,805	74.1	4.0
Virginia.....	1,775	73.2	4.5	14,929	87.4	1.0
West Virginia.....	5,984	54.0	12.6	59,427	85.8	4.5
Wyoming.....	114	55.3	9	650	28.8	2

¹ Represents number of weeks elapsed between the end of the benefit period and the date of payment. Includes intrastate benefit payments only from States which have a 1-week benefit period and which take all or a part of their claims on a biweekly basis.

² A calendar week is a period of 7 consecutive days, uniform for all claimants, usually ending on Saturday.

³ A flexible week is a period of 7 consecutive days, beginning on the date a claim is filed.

Table 10.—Claims and payments for veterans' unemployment allowances, July 1947¹

State	Initial claims	Continued claims	Weeks compensated	Payments
Total.....	475,650	3,446,198	3,326,585	\$66,238,797
Alabama.....	8,688	89,864	86,522	1,727,328
Alaska.....	57	435	454	9,045
Arizona.....	3,491	13,626	12,204	242,641
Arkansas.....	4,554	50,886	49,811	992,902
California.....	42,574	309,742	284,749	5,681,010
Colorado.....	2,748	15,003	13,762	273,695
Connecticut.....	8,742	38,813	30,218	601,817
Delaware.....	1,049	5,859	5,790	114,914
District of Columbia.....	1,260	18,380	14,774	294,779
Florida.....	10,539	99,795	99,213	1,980,723
Georgia.....	9,723	84,470	83,532	1,667,070
Hawaii.....	816	3,894	3,302	65,756
Idaho.....	350	1,970	1,843	36,428
Illinois.....	20,943	130,164	116,374	2,308,854
Indiana.....	12,881	48,227	42,916	845,966
Iowa.....	2,799	13,476	12,802	252,943
Kansas.....	3,197	16,852	16,658	320,074
Kentucky.....	8,046	62,395	59,813	1,193,206
Louisiana.....	7,440	46,155	80,196	1,583,555
Maine.....	3,148	25,154	23,684	470,311
Maryland.....	5,232	34,045	33,469	665,586
Massachusetts.....	19,107	171,084	167,801	3,340,952
Michigan.....	29,550	114,599	107,624	2,101,147
Minnesota.....	5,183	34,086	33,132	656,666
Mississippi.....	4,907	35,334	31,976	636,890
Missouri.....	15,658	97,395	93,791	1,862,845
Montana.....	656	3,400	3,245	64,573
Nebraska.....	589	3,913	3,972	78,552
Nevada.....	433	2,196	2,088	41,442
New Hampshire.....	1,803	11,888	11,629	230,226
New Jersey.....	17,182	169,595	147,668	2,947,717
New Mexico.....	1,772	10,705	8,685	172,959
New York.....	80,573	458,110	450,848	8,988,232
North Carolina.....	9,067	63,377	58,666	1,169,620
North Dakota.....	98	699	728	14,256
Ohio.....	21,036	120,955	103,218	2,077,429
Oklahoma.....	5,997	55,502	52,700	1,047,370
Oregon.....	5,145	21,545	21,614	428,904
Pennsylvania.....	35,879	387,758	372,819	7,446,276
Puerto Rico.....	3,174	54,811	54,392	1,087,061
Rhode Island.....	3,540	35,163	36,433	727,435
South Carolina.....	5,339	30,752	53,744	1,071,839
South Dakota.....	360	2,801	2,537	50,499
Tennessee.....	6,887	100,107	103,700	2,069,173
Texas.....	13,828	149,604	138,495	2,758,226
Utah.....	1,830	7,418	6,907	136,516
Vermont.....	877	5,039	4,713	93,206
Virginia.....	5,064	43,592	44,465	884,555
Washington.....	6,512	34,549	31,771	629,220
West Virginia.....	6,846	88,375	84,774	1,690,440
Wisconsin.....	7,998	22,036	19,766	384,194
Wyoming.....	183	595	598	11,772

¹ Represents activities under provisions of title V of the Servicemen's Readjustment Act of 1944; excludes data for self-employed veterans.

Source: Data reported to the Readjustment Allowance Service, Veterans Administration, by unemployment insurance agencies in 48 States, the District of Columbia, Alaska, and Hawaii, and by the Veterans Administration for Puerto Rico.

Table 11.—Nonfarm placements by State, July 1947

U. S. Employment Service region and State	Total	Women	Veterans ¹	U. S. Employment Service region and State	Total	Women	Veterans ¹
Total.....	454,486	152,513	148,554	Region VII—Continued			
Region I:				Georgia.....	8,804	3,543	2,181
Connecticut.....	6,248	2,473	1,817	Mississippi.....	7,081	1,942	2,354
Maine.....	5,950	1,815	1,572	South Carolina.....	10,131	3,364	2,434
Massachusetts.....	8,821	3,683	2,974	Tennessee.....	10,694	3,387	3,503
New Hampshire.....	1,881	592	639	Region VIII:			
Rhode Island.....	1,499	964	298	Iowa.....	6,481	1,476	2,906
Vermont.....	1,137	227	542	Minnesota.....	14,076	3,504	4,770
Region II:				Nebraska.....	3,455	654	1,386
New York.....	57,117	31,862	12,132	North Dakota.....	1,966	479	723
Region III:				South Dakota.....	1,707	299	758
Delaware.....	1,001	492	237	Region IX:			
New Jersey.....	11,201	6,126	2,600	Arkansas.....	8,394	2,801	2,500
Pennsylvania.....	17,903	7,074	6,539	Kansas.....	7,385	1,418	3,238
Region IV:				Missouri.....	8,279	2,706	2,992
District of Columbia.....	3,004	1,195	884	Oklahoma.....	9,192	2,170	3,586
Maryland.....	5,038	1,764	1,494	Region X:			
North Carolina.....	9,095	3,208	2,919	Louisiana.....	4,722	1,322	1,935
Virginia.....	6,953	2,429	2,133	New Mexico.....	2,896	484	1,443
West Virginia.....	3,410	1,208	1,230	Texas.....	36,268	10,473	12,959
Region V:				Region XI:			
Kentucky.....	2,605	753	1,048	Colorado.....	6,458	1,128	2,518
Michigan.....	12,867	2,764	5,701	Idaho.....	3,361	455	1,643
Ohio.....	21,978	6,115	7,207	Montana.....	2,513	308	1,268
Region VI:				Utah.....	2,402	523	1,073
Illinois.....	17,461	4,422	6,167	Wyoming.....	1,385	205	597
Indiana.....	8,193	3,167	2,572	Region XII:			
Wisconsin.....	17,064	5,630	5,025	Arizona.....	3,315	679	1,366
Region VII:				California.....	33,884	10,872	11,179
Alabama.....	11,813	3,210	3,340	Nevada.....	2,159	652	673
Florida.....	10,245	3,360	3,461	Oregon.....	6,736	1,359	2,838
				Washington.....	8,358	1,777	3,110

¹ Represents placements of veterans of all wars.
Source: Department of Labor, U. S. Employment Service.

States reported a decline in placements, ranging from 40 percent in Vermont to 0.5 percent in Wyoming. Nineteen States, however, reported more placements during the month, and 12 of these States showed an increase of more than 10 percent.

Veterans' placements dropped 6 percent during the month. Thirty States shared in the decline, while 19 States reported increases. The number of male veterans of World War II engaged in nonagricultural work in July was about the same as in June, according to a report of the Bureau of the Census.

Placements of women rose for the fourth successive month, to a total of 152,513—the highest number since October 1946 and 4.7 percent more than in the preceding month. While fewer such placements were made in 26 States, 23 States reported increases.

Old-Age and Survivors Insurance

Monthly Benefits for Which Payment Was Withheld as of June 30, 1947

At the end of June, 234,000 beneficiaries had their benefits withheld (table 1), 36,000 more than a year earlier. Benefits withheld represented about the same proportion (11.3 percent) of all monthly benefits in force as they did at the end of June 1946. For widow's current

benefits, 1 in every 4 on the rolls was withheld as of June 30, 1947, a slightly larger proportion than a year earlier; for all other types of benefits the proportion had dropped slightly.

Employment of the beneficiary continued to account for the majority of the benefits withheld for each type of benefit except wife's benefits. For wife's benefits, employment of the primary beneficiary was the reason

for withholding in 94 percent of the cases.

Type of benefit	Benefits withheld as percent of benefits in force	
	June 30, 1947	June 30, 1946
Total.....	11.3	11.7
Primary.....	13.6	14.0
Wife's.....	11.3	11.4
Child's.....	5.6	6.7
Widow's.....	1.0	1.7
Widow's current.....	25.2	23.6
Parent's.....	1.2	1.4

Table 1.—Number and amount of monthly benefits in force in deferred or conditional-payment status,¹ by reason for withholding payment and type of benefit, June 30, 1947

[Corrected to Aug. 29, 1947]

Reason for withholding payment ¹	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Total.....	234,288	\$4,950,309	125,303	\$3,203,019	31,389	\$417,343	29,716	\$369,901	2,450	\$48,105	45,320	\$919,553	110	\$1,388
Employment of beneficiary.....	192,212	4,376,376	122,774	3,149,769	1,537	18,567	22,406	283,510	2,111	41,314	43,322	882,467	62	749
Employment of primary beneficiary on whose wages benefit is based.....	32,933	436,420			29,567	395,101	3,366	41,310						
Failure to have care of an entitled child.....	1,123	21,025									1,123	21,025		
Previous payment of lump-sum attainment claim.....	243	7,465	141	5,197	43	807	4	76	51	1,338	2	19	2	28
Payee not determined.....	2,077	26,231	189	4,401	29	395	1,771	19,798	32	622	55	1,002	1	13
All other.....	5,700	91,792	2,199	43,652	213	2,473	2,169	25,198	256	4,831	818	15,040	45	598

¹ Benefit in deferred-payment status is one withheld entirely for a known period; benefit in conditional-payment status is one withheld entirely for an indefinite period.

² As provided under sections 203 and 907 of the amended act, except for the reason "payee not determined," in which case benefit payments are accrued

pending determination of guardian or other appropriate payee. When 2 or more reasons for withholding are reported simultaneously, the case is classified under the first listed reason. In all other instances in which 2 or more reasons apply, the first reported reason is the reason recorded.

Table 2.—Monthly benefits in current-payment status¹ at the end of the month, by type of benefit and month, July 1946–July 1947, and monthly benefit actions, by type of benefit, July 1947

(Amounts in thousands; data corrected to Aug. 15, 1947)

Item	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Monthly benefits in current-payment status at end of month:														
1946														
July	1,527,880	\$28,771.9	646,996	\$15,833.0	197,947	\$2,560.1	433,533	\$5,420.1	113,092	\$2,284.5	129,437	\$2,584.2	6,875	\$90.0
August	1,553,914	29,326.1	661,781	16,212.6	202,930	2,627.8	436,144	5,450.5	116,213	2,347.9	129,882	2,596.1	6,964	91.1
September	1,579,112	29,825.5	673,438	16,509.0	206,794	2,679.7	442,905	5,541.6	118,839	2,400.7	130,070	2,601.9	7,066	92.6
October	1,606,412	30,374.1	685,626	16,825.8	210,622	2,733.3	451,489	5,661.8	121,951	2,464.0	129,520	2,594.6	7,204	94.5
November	1,626,693	30,777.8	695,132	17,063.3	213,725	2,775.0	457,120	5,741.6	124,451	2,515.0	128,965	2,587.0	7,300	95.8
December	1,642,299	31,080.8	701,705	17,229.6	215,984	2,804.9	461,756	5,804.0	127,046	2,568.3	128,410	2,576.8	7,398	97.3
1947														
January	1,672,301	31,694.8	717,570	17,625.3	220,757	2,868.3	467,532	5,882.2	130,017	2,629.1	128,959	2,591.6	7,466	98.3
February	1,708,848	32,467.2	737,315	18,134.1	227,003	2,933.4	473,908	5,971.4	133,043	2,692.5	129,908	2,614.5	7,671	101.2
March	1,738,841	33,099.1	753,091	18,540.2	231,587	3,015.5	479,946	6,057.4	135,634	2,746.6	130,668	2,634.6	7,915	104.7
April	1,771,600	33,769.7	767,780	18,922.3	236,341	3,080.2	487,755	6,165.8	139,357	2,823.8	132,079	2,667.9	8,288	110.0
May	1,805,219	34,480.2	784,083	19,353.9	241,224	3,148.4	494,959	6,266.7	142,857	2,896.2	133,443	2,700.0	8,653	115.0
June	1,832,285	35,071.5	797,927	19,722.2	245,364	3,206.0	499,246	6,328.0	146,124	2,965.6	134,673	2,730.4	8,951	119.2
July	1,855,330	35,598.5	811,586	20,087.6	249,540	3,265.1	500,495	6,345.0	149,173	3,030.5	135,350	2,747.7	9,186	122.6
Monthly benefit actions, July 1947:														
In force ² beginning of month	2,066,573	40,030.8	923,230	22,925.2	276,753	3,623.4	528,962	6,697.9	148,574	3,013.7	179,993	3,650.0	9,061	120.6
Benefits awarded in month	45,850	948.6	21,550	562.4	7,446	101.2	9,277	126.2	3,741	78.3	3,535	76.3	301	4.2
Entitlements terminated ³	15,390	282.1	4,844	119.5	2,420	31.0	4,504	60.7	652	12.5	2,807	57.5	63	0.9
Net adjustments ⁴	140	14.3	88	10.0	49	1.7	—15	1.7	4	(⁵)	14	1.0	0	(⁵)
In force end of month	2,097,173	40,711.6	940,024	23,378.0	281,828	3,695.2	533,620	6,765.1	151,667	3,079.6	180,735	3,669.8	9,299	124.0

¹ Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit.² Represents total benefits awarded (including benefits in current, deferred, and conditional-payment status) after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.³ Benefit is terminated when a beneficiary dies or loses entitlement to a benefit for some other reason.⁴ Adjustments result from operation of maximum and minimum provisions and from recomputations and administrative actions.⁵ Less than \$50.

Because the 1946 amendments repealed the requirement that children aged 16 and 17 must attend school in order to receive benefits, employment of the beneficiary accounts for a higher proportion of child's benefits withheld than a year earlier—75 percent as compared with 63 percent. A majority of the children aged 16 or 17 who are on the rolls and who do not attend school are working in covered employment.

Monthly Benefits in Current-Payment Status, July 1947

At the end of July, almost 1.9 million persons had benefits in current-payment status under the old-age and survivors insurance program at a monthly rate of \$35.6 million (table 2).

Almost 46,000 monthly benefits were awarded during July, 1,600 less than in June. Though all types of benefits shared in the decrease, the greatest proportionate decreases were in survivor benefits.

During July, \$38.1 million was certified for monthly benefit payments and \$2.4 million for lump-sum death payments.

Public Assistance

Program Operations

Changes from June to July in case loads for all types of assistance were under 1 percent. The total expended for all types of assistance and expenditures for old-age assistance rose less than 1 percent. Expenditures increased 1.2 percent for aid to the blind, 1.8 percent for aid to dependent children, and 2.5 percent for general assistance. Changes in some States were pronounced, reflecting the effects of changes in State laws becoming effective in July and also of new appropriations. Some States in July adopted measures similar to those that had been put into effect in other

States after the 1946 amendments to the Social Security Act. On the other hand, some States with relatively liberal programs adopted more restrictive policies. A few of the changes in policy were purely administrative.

Delaware, which in the past year accepted very few new families for aid to dependent children, increased its rolls by more than one-fifth in July. In Utah, on the other hand, case loads for the special types of assistance dropped as legislative limits on the total income of recipients and liens on the property of aged recipients became effective. Limitation of funds for old-age assistance prompted a number of counties in New Mexico to transfer recipients eligible for aid to the blind to that program.

Most of the largest increases in average payments occurred in States liberalizing the maximums on the

ERRATUM: In column 2, page 36 of the July issue, Georgia, Indiana, Massachusetts, and New Hampshire should not have been included among the States in which child insurance beneficiaries at the end of 1946 outnumbered children receiving aid to dependent children.

Table 1.—Public assistance in the United States, by month, July 1946–July 1947¹

Year and month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance
			Families	Children					Families	Children		
Number of recipients							Percentage change from previous month					
1946												
July		2,116,505	314,516	806,558	74,406	279,000		+0.4	+1.0	+0.9	+0.6	+0.2
August		2,126,635	318,571	816,886	74,823	280,000		+5	+1.3	+1.3	+6	+4
September		2,134,585	323,360	829,309	75,253	282,000		+4	+1.5	+1.5	+6	+8
October		2,155,890	329,691	844,589	75,705	290,000		+1.0	+2.0	+1.8	+6	+2.8
November		2,174,616	337,197	862,356	76,165	298,000		+1.9	+2.3	+2.1	+6	+2.8
December		2,195,806	346,235	885,227	76,680	315,000		+1.0	+2.7	+2.7	+7	+5.5
1947												
January		2,212,945	354,378	905,855	76,986	336,000		+8	+2.4	+2.3	+4	+6.6
February		2,227,868	363,649	929,705	77,272	344,000		+7	+2.6	+2.6	+4	+2.7
March		2,243,392	374,387	957,134	77,677	344,000		+7	+3.0	+3.0	+5	—1
April		2,255,525	384,053	979,020	77,954	339,000		+5	+2.6	+2.3	+5	—1.6
May		2,269,677	391,312	996,959	78,648	338,000		+2	+1.9	+1.8	+9	—3
June		2,271,007	396,148	1,009,475	79,033	335,000		+5	+1.2	+1.3	+5	—7
July		2,279,507	399,688	1,017,683	79,334	334,000		+4	+9	+8	+4	—4
Amount of assistance							Percentage change from previous month					
1946												
July	\$95,779,264	\$66,985,744	\$16,862,803		\$2,541,717	\$9,389,000	+1.1	+0.9	+0.9	+1.0	+3.3	
August	97,110,506	67,663,188	17,225,179		2,567,139	9,655,000	+1.4	+1.0	+2.1	+1.0	+2.8	
September	98,954,449	68,634,794	17,918,209		2,604,446	9,797,000	+1.9	+1.4	+4.0	+1.5	+1.5	
October	107,498,562	74,219,288	19,731,668		2,714,606	10,833,000	+8.6	+8.1	+10.1	+4.2	+10.6	
November	110,385,737	76,080,252	20,411,575		2,762,910	11,131,000	+2.7	+2.5	+3.4	+1.8	+2.7	
December	114,314,109	77,531,118	21,545,133		2,811,858	12,426,000	+3.6	+1.9	+6.6	+1.8	+11.6	
1947												
January	116,678,504	78,314,543	22,085,013		2,829,948	13,449,000	+2.1	+1.0	+2.5	+6	+8.2	
February	118,228,265	78,962,347	22,786,969		2,851,949	13,627,000	+1.3	+8	+3.2	+8	+1.3	
March	121,027,434	80,732,176	23,712,901		2,920,357	13,662,000	+2.4	+2.2	+4.1	+2.4	+3	
April	121,883,758	81,165,674	24,118,180		2,943,904	13,656,000	+7	+5	+1.7	+8	(²)	
May	122,025,637	81,159,125	24,235,503		2,971,009	13,600,000	+1	(²)	+7	+9	—4	
June	122,413,622	81,842,124	24,434,095		2,997,403	13,140,000	+3	+8	+6	+9	—3.4	
July	123,422,197	82,050,753	24,865,393		3,034,051	13,472,000	+8	+3	+1.8	+1.2	+2.5	

¹ Data subject to revision. Excludes program administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act.

² Decrease of less than 0.05 percent.

Table 2.—Old-age assistance: Recipients and payments to recipients, by State, July 1947¹

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	June 1947 in—		July 1946 in—				Total amount	Average	June 1947 in—		July 1946 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total	2,279,507	\$82,050,753	\$35.99	+0.4	+0.3	+7.7	+22.5	Mo.	114,177	\$3,629,693	\$31.79	+0.2	—9.1	+8.0	+19.1
Ala.	53,019	918,492	17.32	+1.4	+2	+36.2	+28.9	Mont.	10,680	408,316	38.23	+2	+1.3	+3	+17.5
Alaska	1,358	50,490	37.18	+1	—6.5	—1.3	—12.0	Nebr.	25,218	1,014,426	40.23	—1	—2	+3.6	+29.1
Ariz.	10,559	504,338	47.76	—9	—5	+8.2	+33.1	Nev.	2,028	96,788	47.73	+8	+1.4	+4.1	+27.8
Ark.	40,989	746,384	18.21	+2.2	+2.0	+46.1	+55.7	N. H.	6,773	246,981	36.47	+3	—4	+2.6	+18.1
Calif.	173,605	9,132,775	52.61	+7	+6	+6.8	+17.8	N. J.	23,132	950,431	41.09	+2	+1.0	+1.0	+23.4
Colo.	42,826	2,785,928	65.05	+5	+4	+6.0	+66.2	N. Mex.	8,035	286,179	35.62	+1	—5	+17.4	+34.0
Conn.	15,095	663,018	43.92	+7	+8	+2.3	+6.9	N. Y.	108,454	5,074,304	46.79	+5	+1	+4.0	+26.0
Del.	1,212	28,089	23.18	+9	+3.2	+1.7	+21.6	N. C.	39,478	713,751	18.08	+2.3	+2.4	+19.3	+54.2
D. C.	2,302	92,686	40.26	—1.4	—9	+1.9	+21.1	N. Dak.	8,926	347,212	38.90	(²)	—1.4	+2.4	+12.5
Fla.	53,456	1,962,614	36.71	—1.5	+1.8	+14.9	+37.4	Ohio	121,195	4,841,908	39.95	—3	+7	+3.5	+28.6
Ga.	76,911	1,308,246	17.01	+2	(²)	+9.7	+41.5	Okla.	95,965	4,066,482	42.37	+6	+7	+0.7	+30.8
Hawaii	1,728	60,953	35.28	+1.6	+1.4	+14.6	+61.2	Oreg.	21,925	791,940	36.12	—1.3	—14.9	+3.8	—6.5
Idaho	10,513	437,674	41.63	—1	—3	+5.8	+15.2	Pa.	90,235	3,063,006	33.85	+2	+2	+4.2	+14.1
Ill.	126,531	5,014,963	39.63	(²)	+2	+1.4	+18.1	R. I.	8,457	338,653	40.04	+1.1	+2.1	+11.6	+24.7
Ind.	50,591	1,544,066	30.52	(²)	+6	—7.6	+5.8	S. C.	30,170	594,112	19.69	+2.0	—7	+26.6	+52.8
Iowa	48,381	1,936,916	40.03	+2	+1.0	+1	+17.4	S. Dak.	12,455	401,434	32.23	—9	—1.5	—1.6	+15.8
Kans.	34,250	1,332,990	38.92	+1.1	+13.2	+15.4	+45.4	Tenn.	47,644	985,796	20.69	+1.2	+14.0	+23.5	+56.5
Ky.	47,820	830,412	17.37	+1.1	+1.1	+8.5	+59.2	Tex.	194,825	5,821,621	29.88	+5	+3.8	+6.1	+34.4
La.	50,041	1,051,833	21.02	+1.5	—12.1	+30.7	+20.3	Utah	11,398	487,652	42.78	—9.7	—8.4	—10.9	—2.6
Maine	14,999	512,632	34.18	—1.0	—1.1	+3	+11.4	Vt.	5,613	178,162	31.74	+3.4	+6.0	+5.9	+38.3
Md.	11,821	367,946	31.13	(²)	+8	+2.3	+12.4	Va.	16,090	281,874	17.61	+1.0	+9	+8.9	+32.0
Mass.	85,184	4,303,185	50.52	+5	+3	+6.6	+14.3	Wash.	64,998	3,228,024	49.71	—1.1	—7.2	—7	—8.0
Mich.	93,760	3,375,571	36.00	+2	+4	+4.6	+12.1	W. Va.	20,825	426,507	20.48	+6	+36.6	+9.4	+39.3
Minn.	54,059	2,246,521	41.56	+2	+12.3	—3	+20.6	Wis.	47,117	1,701,616	36.11	(²)	+3	+1.8	+17.4
Miss.	39,035	680,412	17.43	—7	(²)	+37.8	+43.9	Wyo.	3,784	184,141	48.66	+5	+4	+6.7	+24.0

¹ For definitions of terms see the Bulletin, July 1945, pp. 27–28. All data subject to revision.

² Increase of less than 0.05 percent.

³ Decrease of less than 0.05 percent.

amounts of their individual monthly payments. Higher maximums enabled Minnesota to raise the average

payment for old-age assistance by more than \$4 and that for aid to dependent children by more than \$10

per family. The average payment for aid to dependent children rose more than \$8 in Florida and more

Table 3.—General assistance: Cases and payments to cases, by State, July 1947¹

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	June 1947 in—		July 1946 in—	
				Number	Amount	Number	Amount
Total ²	334,000	\$13,472,000	\$40.31	-0.4	+2.5	+19.8	+43.4
Ala.....	4,962	76,310	15.38	+1.9	-1.3	+17.7	+19.2
Alaska.....	135	4,174	30.92	-5.6	-1.5	-28.6	-36.9
Ariz.....	1,904	57,369	30.13	-18.6	-21.6	-11.8	-3.5
Ark.....	2,598	31,655	12.18	-1.3	-1.4	-4.8	-2.2
Calif.....	23,433	1,100,413	46.96	+7	-1.8	+28.4	+36.6
Colo.....	3,879	149,600	38.57	-1.9	-1.3	+10.8	+28.5
Conn.....	4,398	135,717	30.94	+2.1	+2.9	+21.6	+38.7
Del.....	772	25,266	33.66	+1.2	-5.1	+73.9	+93.0
D. C.....	1,272	61,296	48.11	0	+1	+59.1	+94.1
Fla.....	4,000	65,000					
Ga.....	3,024	43,447	14.37	+4.0	+2.7	+18.0	+33.1
Hawaii.....	958	45,530	47.53	-9	-1.3	+44.9	+75.3
Idaho.....	506	14,760	29.17	-1.7	-9	+8	+18.5
Ill.....	23,322	1,023,556	43.89	+1.0	+2.3	+19.8	+37.0
Ind.....	8,614	204,525	23.74	-1.7	+1.6	+1	+5.4
Iowa.....	4,224	107,692	25.50	-1.9	-1.2	+9.9	+34.7
Kans.....	4,786	202,531	42.32	-1.3	-1.4	+29.6	+64.0
Ky.....	2,000	33,000					
La.....	8,649	185,843	21.49	+9	+2.4	+14.3	+11.6
Maine.....	2,144	80,449	37.52	-5.3	-7.2	+15.5	+28.5
Md.....	4,112	154,727	37.63	-47.5	-42.5	-38.8	-31.3
Mass.....	15,242	637,250	41.81	+2.4	+11.2	+16.8	+36.4
Mich.....	22,062	953,518	43.22	+3.8	+15.2	+23.2	+38.1
Minn.....	5,675	211,054	37.19	-4.1	-1.8	+9.8	+29.3
Miss.....	479	4,970	10.38	+1.1	+3.6	+28.4	+38.3
Mo.....	10,948	271,589	24.81	-2.1	-1.4	+17.8	+5.1
Mont.....	1,172	32,954	27.36	-2.2	-1.8	+7.7	+16.6
Nebr.....	1,596	40,515	25.39	+1.0	-1.5	-9.8	-2.5
Nev.....	287	6,271	21.85	-1.8	+3.4	+24.2	+37.0
N. H.....	1,070	33,431	31.24	+6.4	-5.7	+6.3	+15.1
N. J.....	5,951	282,043	47.39	+2.7	+2.6	+22.5	+52.4
N. Mex.....	1,804	38,130	21.14	+1.7	+2.6	+34.2	+66.8
N. Y.....	60,377	3,954,629	65.50	+3.4	+3.3	+54.5	+105.8
N. C.....	2,876	36,999	12.86	-8	-5.5	+7.8	+13.8
N. Dak.....	634	19,755	31.16	-2.0	-2.4	-3.1	+12.3
Ohio.....	18,522	738,675	39.88	+8	+1.0	+20.2	+40.3
Okl.....	18,900	66,609	(³)	(³)	(³)	(³)	+15.6
Oreg.....	4,305	195,143	45.33	+8.1	+4.5	+4.6	+10.6
Pa.....	32,675	1,242,117	38.01	+3	+13.6	+18.3	+43.0
R. I.....	2,933	126,383	43.09	+12.8	+11.5	+43.0	+55.5
S. C.....	4,779	56,824	11.89	+1.4	-4.1	+28.1	+30.4
S. Dak.....	686	17,460	25.45	-19.3	-16.8	-7.3	+6.9
Tenn.....	1,750	13,200					
Tex.....	3,500	62,000					
Utah.....	1,640	82,339	50.21	-8.4	-5.3	+8	+17.4
Va.....	3,508	68,788	19.61	-4.1	-5.9	+10.5	+34.3
Wash.....	6,851	339,960	49.62	-9	-3	-13.2	-14.8
W. Va.....	4,979	73,633	14.79	+2.5	+3.4	+7.7	+21.4
Wis.....	4,279	158,528	37.05	-1.7	-1.5	-8.1	+3
Wyo.....	420	18,817	44.80	-1.2	+3	+23.9	+47.9

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

² Partly estimated; does not represent sum of State figures because total excludes payments for, and an estimated number of cases receiving, medical care, hospitalization, and burial only in Indiana and New Jersey.

³ State program only; excludes program administered by local officials.

⁴ Based on actual reports including an estimated 96 percent of cases and of payments.

⁵ Estimated.

⁶ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents about 60 percent of total.

⁷ Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

⁸ Excludes a few cases and small amount of local funds not administered by State agency.

⁹ Includes cases receiving medical care only.

¹⁰ Excludes estimated duplication between programs; 2,115 cases were aided by county commissioners and 4,266 cases under program administered by State Board of Public Welfare. Average per case and percentage change in number of cases not computed.

Table 4.—Aid to the blind: Recipients and payments to recipients, by State, July 1947¹

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	June 1947 in—		July 1946 in—	
				Number	Amount	Number	Amount
Total.....	70,334	\$3,034,051	\$38.24	+0.4	+1.2	+6.6	+19.4
Total, 47 States ²	62,341	2,385,512	38.27	+4	+1.5	+7.5	+24.3
Ala.....	1,002	19,687	19.65	-2	-1.9	+16.2	+24.7
Ariz.....	631	35,603	56.52	+1.4	+1	+16.4	+39.3
Ark.....	1,491	31,744	21.29	+1.2	+1.3	+22.7	+37.0
Calif.....	6,489	408,371	62.92	+8	+9	+8.7	+18.0
Colo.....	392	18,386	46.90	-1.0	+2.1	-12.1	+12.4
Conn.....	139	5,358	38.55	-2.8	-7.1	-7	-5.6
Del.....	117	3,474	29.69	+9	+5.1	(³)	(³)
D. C.....	214	9,014	42.12	0	-2	+8.1	+22.8
Fla.....	2,685	102,397	38.14	+1.2	+1.5	+10.9	+32.3
Ga.....	2,201	44,881	20.39	-2	-3	+4.4	+34.0
Hawaii.....	65	2,522	38.80	(³)	(³)	(³)	(³)
Idaho.....	212	9,904	46.72	-1.4	-1.3	+5.5	+19.4
Ill.....	4,819	198,945	41.28	-7	-5	-3.2	+13.4
Ind.....	1,916	62,498	32.62	+4	+1.3	-1.0	+9.1
Iowa.....	1,223	37,405	46.94	0	+4	+3	+20.2
Kans.....	1,070	43,544	40.70	-5.0	-3.1	-1.2	+18.3
Ky.....	1,718	31,728	18.47	+8	+1.2	+10.4	+52.8
La.....	1,521	39,856	26.20	+5	-11.7	+9.1	+9.3
Maine.....	726	24,868	34.25	-7	-8	-6.2	+9
Md.....	463	15,757	34.03	-9	-9	-9	+7.5
Mass.....	1,191	61,466	51.61	+3	+6	+10.2	+30.4
Mich.....	1,432	58,042	40.53	+5	+9	+7.1	+20.0
Minn.....	1,916	45,562	46.16	+6	+3.1	+4.9	+21.4
Miss.....	2,096	50,192	23.95	+1	+5	+26.2	+30.9
Mo.....	2,800	84,000	30.00				
Mont.....	399	16,067	40.27	+1.5	+1.6	+10.2	+24.2
Nebr.....	459	18,609	40.54	+2	+3	+4.1	+28.6
Nev.....	28	7,225	(³)	(³)	(³)	(³)	(³)
N. H.....	293	11,559	39.45	+1.4	+8	+2.1	+23.0
N. J.....	285	24,952	42.65	-7	-6	+5.2	+25.6
N. Mex.....	319	12,650	39.66	+7.8	+9.2	+28.6	+80.0
N. Y.....	3,382	178,733	52.85	-1	+1.0	+8.9	+32.0
N. C.....	2,913	76,524	26.27	+2.8	+4.0	+11.0	+39.0
N. Dak.....	126	4,777	37.91	-8	-3	+3.3	+9.4
Ohio.....	3,252	117,999	36.29	+9	+1.6	+5.2	+32.4
Okl.....	2,477	106,443	42.97	+1.4	+1.5	+21.5	+42.3
Oreg.....	381	16,215	42.56	-8	-14.9	+5.0	-7.2
Pa.....	14,165	663,314	39.77	+5	+5	+5.1	+5.2
R. I.....	138	5,796	42.00	+7	+2.6	+21.1	+42.5
S. C.....	1,199	26,414	22.03	+6	-7.6	+14.3	+25.3
S. Dak.....	209	6,192	29.63	-1.4	-2.8	-1.4	+20.3
Tenn.....	1,725	53,305	30.90	+5	+35.5	+9.4	+68.4
Tex.....	5,327	177,383	33.30	+7	+6.4	+7.7	+33.4
Utah.....	140	6,635	47.39	-4.8	-6.3	-3.4	+11.8
Vt.....	178	6,606	37.11	-6	+1	+9.9	+27.3
Va.....	1,142	25,966	22.74	+2.4	+2.5	+13.7	+33.1
Wash.....	642	38,990	60.73	0	-4	0	+5
W. Va.....	880	20,442	23.23	+5	+29.2	+4.0	+31.0
Wis.....	1,278	47,018	36.79	-1.2	-5	-4.1	+10.8
Wyo.....	97	5,073	52.30	(³)	(³)	-13.4	+4.0

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut, which administers such program concurrently with program under the Social Security Act. Alaska does not administer aid to the blind. All data subject to revision.

² Under plans approved by the Social Security Administration.

³ Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

⁴ Estimated.

⁵ Represents statutory monthly pension of \$30 per recipient; excludes payment for other than a month.

than \$21 in Maryland. The change in Maryland permitted the elimination of supplementary payments of general assistance to families whose needs could not be met under the previous maximums; thus the increase in expenditures under the children's program was balanced by a decrease in general assistance outlays.

Increases in maximums for all types of assistance in Tennessee were accompanied by adjustments in cost

figures used in determining need. Average payments for aid to the blind and aid to dependent children rose more than \$7 and \$10, respectively. In Kansas, also, upward adjustments in cost figures for old-age assistance were reflected in a higher average payment. West Virginia was able to increase the percent of the recipients' need met by payments; the increase was larger than the reduction made in April.

Unfortunately for recipients in some States, July changes involved substantial reductions in payments. Setting of maximums on payments of aid to dependent children in Maine caused a \$13 drop in the amount of assistance per family. General cuts in payments or more restrictive standards for determining need lowered all payments to aged recipients by an average of \$3 or more in Louisiana, Missouri, Oregon, and Washington.

Table 5.—Aid to dependent children: Recipients and payments to recipients, by State, July 1947¹

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	June 1947 in—			July 1946 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	399,688	1,017,683	\$24,865,393	\$62.21	+0.9	+0.8	+1.8	+27.1	+26.2	+47.5
Total, 50 States ²	399,639	1,017,574	24,863,878	62.22	+ .9	+ .8	+1.8	+27.1	+26.2	+47.5
Alabama.....	8,214	22,885	250,332	30.48	+1.3	+ .6	-1.9	+30.6	+20.5	+29.4
Alaska.....	223	560	7,406	33.21	-2.6	+ .2	+3.3	+79.8	+67.7	+24.4
Arizona.....	2,357	6,787	120,459	51.11	-1.4	-1.3	+7.7	+32.7	+32.3	+70.1
Arkansas.....	7,130	18,781	255,961	35.90	+3.1	+2.8	+2.5	+63.9	+50.9	+94.5
California.....	11,485	27,651	1,173,891	102.21	+3.9	+3.1	+4.7	+41.0	+34.5	+57.0
Colorado.....	4,118	11,290	283,646	68.88	+ .9	+ .6	+1.3	+13.8	+14.5	+27.5
Connecticut.....	2,794	6,935	262,980	94.12	- .5	-3.5	+ .6	+3.3	+3.9	+4.4
Delaware.....	303	850	21,170	69.87	+22.2	+27.1	+26.0	+13.9	+11.5	+4.9
District of Columbia.....	1,378	4,112	102,915	74.68	-1.0	- .8	- .4	+69.7	+68.3	+92.6
Florida.....	11,125	27,730	491,016	44.14	+3.3	+3.3	+29.0	+67.5	+70.1	+116.3
Georgia.....	6,531	16,794	229,487	35.14	+ .5	+ .4	(³)	+34.2	+35.3	+71.1
Hawaii.....	1,004	3,049	93,225	92.85	+4.3	+4.6	+4.0	+55.7	+48.7	+98.9
Idaho.....	1,722	4,402	133,539	77.55	-1.8	-2.6	-2.9	+18.8	+14.9	+23.8
Illinois.....	22,379	55,647	1,764,180	78.83	-1.2	-1.1	-1.0	+3.7	+5.5	+18.7
Indiana.....	7,653	18,809	341,261	44.59	+ .4	+ .2	+5.4	+14.1	+16.9	+33.0
Iowa.....	4,235	10,826	146,480	34.59	-1.0	-1.0	-1.2	+17.9	+19.9	+21.0
Kansas.....	4,837	12,249	343,835	71.08	+1.2	+1.1	+1.8	+36.8	+35.1	+68.0
Kentucky.....	9,543	24,502	334,046	35.00	+4.2	+4.2	+4.1	+62.7	+59.5	+95.0
Louisiana.....	12,097	31,348	467,511	38.65	+1.7	+1.8	-13.8	+26.5	+25.7	+26.4
Maine.....	1,863	5,351	143,282	76.91	-1.3	-1.2	-15.6	+20.0	+21.3	+28.4
Maryland.....	4,833	13,867	338,242	69.99	- .1	- .3	+44.8	+25.3	+25.0	+133.1
Massachusetts.....	9,283	23,010	879,025	94.69	+ .4	+ .3	- .6	+13.2	+12.6	+27.4
Michigan.....	20,128	47,964	1,565,858	77.80	+ .3	+ .4	+ .3	+18.4	+17.9	+33.8
Minnesota.....	5,917	15,140	394,339	66.65	- .1	+ .2	+19.2	+14.8	+15.4	+41.4
Mississippi.....	5,483	14,600	145,230	26.49	- .6	- .1	- .4	+54.4	+56.4	+55.6
Missouri.....	20,034	52,361	551,896	27.55	+ .3	+ .4	-17.5	+31.2	+30.3	+24.5
Montana.....	1,683	4,397	113,663	67.55	-1.0	-2.1	- .5	+18.5	+15.6	+47.6
Nebraska.....	3,140	7,401	252,488	80.41	- .1	- .5	-1.1	+22.0	+21.1	+47.3
Nevada.....	49	109	1,616	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
New Hampshire.....	1,113	2,852	87,241	78.38	+1.0	+1.7	+ .9	+21.0	+22.1	+33.3
New Jersey.....	4,171	10,758	330,626	79.27	+1.4	+1.2	+2.4	+15.7	+17.9	+39.7
New Mexico.....	3,651	9,625	174,884	47.90	- .2	+ .4	-1.5	+26.1	+20.4	+65.4
New York.....	40,978	95,115	3,995,243	97.50	+2.1	+1.7	+1.6	+40.1	+34.4	+67.6
North Carolina.....	7,780	22,240	277,178	35.63	+1.2	+1.5	+1.8	+21.8	+28.4	+55.7
North Dakota.....	1,630	4,478	121,173	74.34	-2.0	-1.8	-2.7	+9.8	+7.7	+32.0
Ohio.....	9,335	25,634	616,432	60.03	- .2	- .1	- .2	+13.4	+13.2	+28.9
Oklahoma.....	28,373	68,513	1,275,953	44.97	+1.9	+1.9	+1.9	+39.5	+38.0	+79.1
Oregon.....	2,255	5,751	170,624	75.96	-3.7	-3.5	-18.8	+55.8	+59.6	+37.0
Pennsylvania.....	39,085	100,379	2,788,040	71.26	+ .3	+ .6	- .9	+21.2	+19.6	+31.6
Rhode Island.....	2,504	6,262	193,850	77.42	+3.9	+3.6	+3.8	+39.9	+36.8	+56.6
South Carolina.....	5,670	15,742	143,154	25.25	+2.6	+2.4	-6.2	+28.6	+22.4	+49.4
South Dakota.....	1,783	4,422	82,156	46.08	-5.2	-4.7	-5.1	+4.8	+4.6	+19.1
Tennessee.....	13,562	36,293	617,248	45.51	+1.0	+ .7	+31.0	+14.8	+16.3	+78.9
Texas.....	14,351	36,212	599,079	41.74	+2.0	+2.1	+2.0	+49.1	+52.0	+152.7
Utah.....	2,337	6,287	217,049	92.88	-4.2	-4.0	-3.3	+11.9	+11.6	+34.6
Vermont.....	687	1,871	31,806	46.30	+ .3	- .9	+ .8	+11.7	+14.4	+44.2
Virginia.....	4,515	13,184	179,226	39.70	+ .2	+ .5	+ .8	+21.8	+23.8	+51.3
Washington.....	7,266	17,484	765,418	105.34	- .7	- .9	(⁵)	+36.3	+33.8	+45.1
West Virginia.....	9,701	26,600	398,565	41.03	+1.2	-----	+43.9	+20.3	-----	+69.1
Wisconsin.....	7,035	17,529	562,912	80.02	-1.7	-2.1	-1.5	+12.0	+12.2	+38.5
Wyoming.....	365	1,045	31,628	86.65	- .5	-1.0	- .2	+15.5	+18.8	+40.0

¹ For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent program administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, and Nebraska, which administer such programs concurrently with programs under the Social Security Act. All data subject to revision.

² Under plans approved by the Social Security Administration.

³ Decrease of less than 0.05 percent.

⁴ Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

⁵ Estimated.

Averages for aid to the blind dropped more than \$3 in Louisiana and more than \$7 in Oregon. Family averages for aid to dependent children dropped

more than \$6 in Louisiana, more than \$5 in Missouri, and more than \$14 in Oregon.

Meanwhile, from mid-June to mid-

July the cost of food for moderate-income families in the large cities for which data are available reached a new peak.

Social and Economic Data

Social Security and Other Income Payments

Personal Income

Personal income was at an annual rate of \$196.9 billion in July, 10 percent above the amount a year earlier (table 1). All the major components of the personal income series except social insurance and related payments shared in the increase. In each of the first 7 months of 1947, personal income has exceeded the levels in the corresponding months of 1946, and the annual rate in each month has exceeded the aggregate for 1946, when this type of income was the highest for any year on record. After reaching a high point in July 1945—at an annual rate of \$175 billion—personal income declined in August and dropped still further in September. It then moved in a general upward direction, and in July 1946 passed the previous peak; it has since continued to increase almost uninterruptedly.

Employees' income in July was 9.5 percent above that a year earlier but represented about the same proportion of all personal income in both periods. Social insurance and related payments represented 3.8 percent of all personal income in July as against 4.3 percent a year earlier. The sharpest relative gains were in "miscellaneous income payments," which doubled, and in the public aid segment, which was one-fourth more than in July 1946.

Social Insurance and Related Payments

Disbursements under the selected social insurance and related programs turned upward in July after declining in each of the 3 preceding months and totaled \$402.8 million (table 2). This total was 2.7 percent above that in June but 13 percent less than the disbursements in July 1946. As compared with Department of Commerce

estimates of all social insurance and related payments, the selected programs accounted for about 64 percent of total disbursements in July and 72 percent of the total a year earlier.

The first Nation-wide program providing sickness and maternity benefits went into operation in July under the provisions of the Railroad Unemployment Insurance Act, as amended in 1946. Payments in the first month of operation numbered 9,882 for sickness and 160 for maternity; benefit certifications amounted to \$313,029 and \$9,135, respectively.

July also marked the first month in

which reconversion unemployment benefits became payable to seamen who had Federal maritime service on vessels operated by the War Shipping Administration. The State unemployment insurance agencies, acting as agents for the Federal Government, make the payments and are reimbursed from funds appropriated for that purpose. These payments are included with the July State unemployment insurance benefits and account at least in part for the June-to-July increase in total benefit payments under the State programs.

Unemployment insurance benefits under the State and veterans' programs moved upward in July, while railroad unemployment benefits con-

Table 1.—Personal income, by specified period, 1940-47

[In billions; seasonally adjusted, at annual rates]

Year and month	Total	Em- ployees' income ¹	Proprie- tors' and rental income	Personal interest income and dividends	Public aid ²	Social in- surance and related payments ³	Miscellan- eous in- come pay- ments ⁴
1940.....	\$78.3	\$47.6	\$16.3	\$9.4	\$2.7	\$1.7	\$0.6
1941.....	95.3	60.0	20.8	9.9	2.4	1.6	.6
1942.....	122.2	80.2	28.1	9.7	1.7	1.8	.7
1943.....	149.4	104.0	32.1	10.0	1.0	1.6	.7
1944.....	164.9	116.0	34.4	10.7	1.0	1.8	1.0
1945.....	171.6	117.6	37.1	11.6	1.0	2.9	1.4
1946.....	177.2	112.5	41.8	13.3	1.2	7.2	1.2
1946							
July.....	179.0	112.3	43.3	13.3	1.2	7.7	1.2
August.....	180.9	114.6	42.9	13.3	1.2	7.5	1.4
September.....	178.5	115.2	39.5	13.3	1.2	7.3	2.0
October.....	184.0	115.6	45.3	13.8	1.3	7.1	1.4
November.....	188.4	117.3	47.6	13.5	1.3	7.3	1.4
December.....	189.9	118.8	47.2	13.7	1.4	7.5	1.3
1947							
January.....	190.3	118.9	46.6	13.9	1.4	8.1	1.4
February.....	190.7	119.3	46.8	14.0	1.4	7.9	1.3
March.....	191.8	119.3	47.7	14.0	1.5	7.9	1.4
April.....	190.2	118.5	46.9	14.0	1.5	7.9	1.4
May.....	191.5	120.0	46.9	14.0	1.5	7.6	1.5
June.....	195.1	122.6	47.6	14.1	1.5	7.4	1.9
July.....	196.9	123.0	48.2	14.3	1.5	7.5	2.4

¹ Civilian and military pay in cash and in kind in the continental United States, pay of Federal civilian and military personnel stationed abroad, other labor income (except compensation for injuries), mustering-out pay, and terminal-leave pay. Military pay includes the Government's contribution to allowances for dependents of enlisted personnel. Civilian wages and salaries represent net earnings after employee contributions under social insurance and related programs have been deducted; data exclude work relief earnings.

² Payments to recipients under 3 special public assistance programs and general assistance. Includes work relief earnings of persons who were employed by WPA, NYA, and CCC, value of food and cotton stamps, subsistence grants to farmers, and payments for care of children in private foster homes.

³ Includes payments of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, veterans' pensions and compensation, workmen's compensation, State and railroad unemployment insurance and sickness compensation, and readjustment and subsistence allowances to veterans under the Servicemen's Readjustment Act.

⁴ Includes veterans' bonus (Federal and State), payments under the Government life insurance, national service life insurance, and military and naval insurance programs, the Government's contribution to nonprofit organizations, and business transfer payments.

Source: Department of Commerce, Office of Business Economics.

Table 2.—Selected social insurance and related programs, by specified period, 1940-47

[In thousands; data corrected to Sept. 5, 1947]

Year and month	Total	Retirement, disability, and survivor programs												Unemployment insurance programs				Read-justment allowances to self-employed veterans ¹⁵
		Monthly retirement and disability benefits ¹				Survivor benefits						Sickness benefits ¹¹		State unemployment insurance laws ¹²	Service-men's Read-justment Act ¹⁴	Railroad Unemployment Insurance Act ¹³		
		Social Security Act ²	Railroad Retirement Act ³	Civil Service Commission ⁴	Veterans Administration ⁵	Social Security Act ²	Railroad Retirement Act ⁷	Veterans Administration ⁶	Social Security Act ²	Railroad Retirement Act ⁷	Civil Service Commission ⁴	Veterans Administration ⁵	State laws ¹¹	Railroad Unemployment Insurance Act ¹³				
Number of beneficiaries																		
1946																		
July	861.2	181.6	100.5	2,179.7	666.7	4.5	790.0	15.1	1.7	2.6	4.2	6.6	1,068.7	1,724.3	42.6	326.8		
August	881.2	182.5	101.6	2,203.1	672.7	4.5	804.7	15.6	1.7	2.2	5.4	5.8	980.2	1,669.2	49.1	332.5		
September	897.2	183.4	102.7	2,237.2	682.0	4.5	817.4	12.9	1.4	1.7	5.3	4.8	838.9	1,492.2	51.8	249.9		
October	913.6	184.2	103.9	2,262.6	692.8	4.5	830.1	16.6	1.4	2.1	6.3	4.7	765.3	1,097.5	57.4	191.2		
November	926.5	184.6	104.9	2,287.8	700.2	4.5	842.2	13.3	1.2	1.6	5.3	4.4	709.6	932.7	54.9	156.9		
December	935.6	185.0	106.5	2,314.4	706.7	4.5	849.4	15.1	.8	1.6	6.0	6.4	747.9	987.9	70.3	155.4		
1947																		
January	956.6	185.2	108.2	2,332.2	715.7	4.5	871.3	15.8	.9	2.0	7.0	17.3	892.6	1,148.6	88.2	167.0		
February	983.0	185.8	107.6	2,346.2	725.8	11.6	873.1	14.0	1.4	1.2	6.3	21.8	911.3	1,149.9	83.1	172.0		
March	1,003.8	186.3	109.0	2,352.9	735.0	22.1	876.9	16.7	.6	1.8	7.3	23.5	975.4	1,073.0	75.6	231.0		
April	1,023.7	188.6	110.5	2,356.1	747.9	28.2	878.8	19.9	1.1	1.6	8.0	26.5	929.8	903.3	69.1	223.6		
May	1,045.3	191.9	111.6	2,355.6	759.9	32.1	886.8	19.2	.8	1.1	7.9	26.9	940.3	952.2	48.3	248.6		
June	1,063.6	194.1	112.6	2,354.3	768.7	37.1	896.8	16.0	1.4	1.8	8.1	25.8	1,006.0	712.9	39.5	257.1		
July	1,081.5	197.8	114.3	2,351.6	773.8	42.3	907.3	15.6	1.4	1.7	7.8	24.4	1,060.0	751.3	31.1	212.1		
Amount of benefits ¹⁶																		
1940	\$1,188,702	\$21,074	\$114,166	\$62,019	\$317,851	\$7,784	\$1,448	\$105,696	\$11,736	\$2,497	\$5,810	\$3,960	\$518,700	\$15,961				
1941	1,085,488	56,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352	344,321	14,537				
1942	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,106	4,120	344,084	6,268				
1943	921,463	97,257	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	299,643	917				
1944	1,119,684	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,591	7,863	4,784	5,035	62,385	\$4,113	\$102		
1945	2,067,434	157,391	137,140	85,742	697,830	104,231	1,772	254,238	26,135	8,138	10,244	5,049	4,669	445,866	114,955	2,359	11,675	
1946	5,152,223	230,285	149,188	96,418	1,268,984	130,139	1,817	333,640	27,267	9,127	13,992	7,491	4,766	1,095,475	1,491,294	39,917	252,424	
1946																		
July	461,203	18,586	12,175	8,020	101,726	10,180	144	26,455	2,187	918	1,477	450	477	88,408	152,648	2,479	34,965	
August	449,195	19,036	12,241	8,112	103,976	10,290	145	26,324	2,266	854	1,213	797	417	78,047	148,016	3,179	34,281	
September	419,623	19,389	12,314	8,342	117,547	10,436	145	30,687	1,892	692	987	787	339	63,216	124,082	3,409	25,359	
October	400,748	19,765	12,375	8,364	124,720	10,609	146	31,066	2,476	745	1,211	928	337	64,433	100,380	3,902	19,292	
November	368,858	20,048	12,407	8,421	133,700	10,729	145	30,737	1,966	661	1,180	800	316	54,097	74,421	3,618	15,591	
December	385,308	20,248	12,442	8,568	136,762	10,833	145	29,760	2,266	439	1,071	890	468	59,370	81,964	4,665	15,317	
1947																		
January	434,613	20,712	12,988	8,592	139,853	10,983	147	32,226	2,387	519	1,416	1,040	1,297	74,760	106,586	5,685	15,421	
February	408,057	21,311	13,035	8,794	140,143	11,156	355	31,840	2,119	798	896	1,940	1,571	65,910	88,364	4,851	15,975	
March	424,185	21,785	13,079	8,874	142,166	11,314	663	32,031	2,533	334	1,269	1,090	1,872	71,545	89,052	4,954	21,624	
April	415,386	22,238	13,241	8,984	140,691	11,532	840	31,805	3,026	487	1,279	1,200	2,176	71,569	78,806	4,299	23,213	
May	399,528	22,743	13,482	8,956	140,115	11,736	951	31,505	2,940	307	834	1,180	2,167	72,295	63,722	3,107	23,489	
June	392,146	23,173	13,632	8,896	134,942	11,898	1,075	32,137	2,437	501	1,374	1,210	2,072	73,559	58,509	2,490	24,241	
July	402,751	23,599	13,891	9,055	137,247	12,000	1,198	32,970	2,402	483	1,358	1,160	2,001	76,679	60,213	1,833	20,339	

¹ Preliminary estimate.² Old-age retirement benefits under all acts, disability retirement benefits under the Railroad Retirement and the Civil Service Retirement Acts, and disability payments to veterans.³ Primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.⁴ Age and disability annuitants and pensioners in current-payment status at end of month, and amounts certified, minus cancellations, during year.⁵ Retirement and disability benefits include survivor benefits under joint and survivor elections. Payments principally from civil-service retirement and disability fund but also from Canal Zone and Alaska Railroad retirement and disability funds administered by the Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors.⁶ Refunds to employees leaving the service are not included but are summarized twice a year in the *Bulletin*.⁷ Veterans' pensions and compensation.⁸ Widows', widow's current, parent's, and child's benefits. Partly estimated.⁹ Annuities to widows under joint and survivor elections, 12-month death benefit annuities to widows and next of kin, and, beginning February 1947, widow's, widow's current, parent's, and child's benefits in current-payment status.¹⁰ Payments to widows, parents, and children of deceased veterans.¹¹ Number of decedents on whose account lump-sum payments were made, and amount certified for payment.¹² Payments for burial of deceased veterans.¹³ Compensation for temporary disability payable in Rhode Island beginning

in April 1943, in California beginning December 1946, and under the Railroad Unemployment Insurance Act beginning July 1947; includes maternity benefits in Rhode Island and under the Railroad Unemployment Insurance Act.

¹⁴ Number represents average weekly number of beneficiaries. Annual amounts adjusted for voided benefit checks; monthly amounts not adjusted. Beginning July 1947, State unemployment insurance data include reconversion unemployment benefits for seamen.¹⁵ Number represents average number of persons receiving benefits in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures not adjusted.¹⁶ Readjustment allowances to unemployed veterans only. Number represents average weekly number of continued claims during weeks ended in the month.¹⁷ Number before January 1947 represents number of veterans paid during month; number beginning January 1947 represents number of claims paid during month under the Servicemen's Readjustment Act.¹⁸ Payments to individuals: annual and lump-sum payments (amounts certified, including retroactive payments) and monthly payments in current-payment status, under the Social Security and the Railroad Retirement Acts; amounts certified under the Railroad Unemployment Insurance Act; disbursements minus cancellations, under the Civil Service Commission and the Veterans Administration programs; checks issued by State agencies, under State unemployment insurance and State sickness compensation programs and under the Servicemen's Readjustment Act.

Source: Based on reports of administrative agencies.

tinued to decline. On the whole, however, total expenditures for unemployment insurance were well below those a year earlier and represented 36 percent of all payments under the selected programs in July, as compared with 53 percent of the total in July 1946.

Changes in Retirement Programs for Federal Employees

Withdrawal of Contributions From Civil-Service Retirement and Disability Fund

In the first session of the Eightieth Congress several changes were made in retirement provisions for Federal employees. The Civil Service Retirement Act was amended by Public Law No. 263 (approved July 30, 1947, retroactive to January 24, 1942) to permit employees who become separated from the Federal civil service after less than 10 years' civilian service to withdraw their contributions from the fund, with interest if their service exceeds 1 year. In the case of voluntary separation or separation for cause the Government withholds the tontine charge of \$1 for each month for which contributions were refunded. Since the amendment of January 24, 1942, employees with as many as 5 years of civilian service or combined civilian and military service had been prohibited from withdrawing salary deductions made after that date. The amount of deductions made before that time, however, might be withdrawn on separation; contributions made voluntarily to increase the amount of annuities might be, and still may be, withdrawn at any time. Under the new law, employees separated from service after July 30, 1947, who have 5 or more years of civilian and military service but less than 10 years of civilian service, have a choice between a refund or an annuity beginning at age 62; the annuity is payable in a reduced amount at age 55 for persons involuntarily separated who so elect. If a refund is accepted, annuity rights are forfeited and cannot be regained without return to covered service and subsequent redeposit of the amount refunded, with

interest. Persons separated from service after 10 years of civilian service may withdraw only those deductions made before January 24, 1942, and an annuity based on the amount remaining to their credit in the fund will become payable at age 62 or 55, as the case may be.

Earlier Retirement for FBI Investigators

In recognition of the hazardous nature of employment as investigator for the Federal Bureau of Investigation, earlier retirement for such officers was authorized by Public Law No. 168, Eightieth Congress, approved July 11, 1947. Persons credited with at least 20 years of such service may now retire at age 50 on an annuity computed as 2 percent of average basic salary for the last 5 years of service, multiplied by the number of years of creditable service, not exceeding 30.

Extension of Civil-Service Retirement Coverage

Two retirement systems, each covering a relatively small number of employees, were absorbed this year by the civil-service retirement system. The Smithsonian Institution employees' retirement system, which had been administered by the Smithsonian Institution and financed jointly by contributions from the Institution's private funds and deductions from employee salaries, became part of the civil-service retirement system by action of the Civil Service Commission, effective May 18, 1947. An Act of Congress (Public, No. 225, 80th Cong., approved July 24, 1947, retroactive to July 1, 1947) was required to integrate the coverage and funds of the Panama Railroad Company retirement system with those of the civil-service retirement system. Credit for service before the date of absorption will be allowed in computing length of service and amount of benefits.

When the Canal Zone Retirement Act of 1931 was passed, it included only those employees of the Panama Canal and Panama Railroad Company (a federally owned corporation) who were located on the Isthmus of Panama. Persons working in the continental United States for the

Panama Canal and those who entered the service of the Panama Railroad Company in the continental United States before age 21 or after attaining age 45 were covered by the civil-service retirement system. Before July 1, 1947, persons employed in the continental United States by the company who entered service between the ages of 21 and 45 were covered by the Panama Railroad Company retirement system, which was administered by a Board of Trustees composed of the vice-president of the company and six members or beneficiaries of that system. Under the new plan, employees of the Panama Railroad Company will be covered in the same manner as are those of the Panama Canal—either by the Canal Zone Retirement Act or the Civil Service Retirement Act, according to place of employment.

Changes in Retirement Provisions for Army and Navy Nurses, Dietitians, and Therapists

On April 16, 1947, the Army Nurse Corps and Navy Nurse Corps were reorganized as component parts of the respective medical departments of the Army and Navy (Public, No. 36, 80th Cong.). A new corps, the Women's Medical Specialist Corps (composed of dietitians and physical and occupational therapists), was also established in the Medical Department of the Army. Before World War II, dietitians and therapists in the Army were civilian employees, but during the war they held the rank and pay of Army nurses. The Navy, on the other hand, has rated them as nurses with military status. Before the recent war, Army and Navy nurses held relative rank with commissioned officers, but at lower pay. During the war they held temporary commissions and received the same pay as other officers. In recognition of the higher salaries in civilian hospitals and institutions the Eightieth Congress authorized permanent commissions with full pay and allowances for nurses, dietitians, and therapists.

In equalizing active-duty pay for this personnel with that for officers in other branches of the service, Congress also coordinated the formulas for computing the amount of retired

pay. The percentage of active-duty pay by which the number of years of creditable service is multiplied was reduced from the former rate of 3 percent to the 2.5-percent rate used for commissioned officers in general; the maximum for retired pay is 75 percent of active-duty pay of the rank at which the officer is placed on the retired list.

With minor exceptions, provisions for disability, lump-sum separation payments, and lump-sum death payments follow those for other officers. For age and service retirement, however, the requirements differ. Members of the Nurse Corps and Women's Medical Specialist Corps are compulsorily retired at the rank held at age 50 for grade below major or lieutenant commander; age 55 for grade above captain in the Army or lieutenant in the Navy; or at any age when they fail to pass examination for promotion after 10 years of service.

The requirement for voluntary retirement for the Army Nurse and Women's Medical Specialist Corps is 20 years of active service in the armed forces; for the Navy Nurse Corps it is active service in the Navy, Marine Corps, or Coast Guard or their reserve components for 20 years, 10 of which must have been in active commissioned service.

Veterans' Pensions Increased

The Eightieth Congress authorized a 20-percent increase in non-service-connected pensions payable to veterans of the Civil War, Spanish-American War, Philippine Insurrection, and Boxer Rebellion and to their widows and surviving dependent children (Public, No. 270, 80th Cong., effective September 1, 1947). Compensation for service-connected death due to the Civil War and for service-connected death or disability resulting from the Spanish-American War or other campaigns in that period was increased in 1946, when there was also a general increase in benefits for veterans of World War I and World War II. Under the amendment, the minimum non-service-connected pension for a Civil War veteran is increased to \$90, and the maximum to \$120; the only rate now being paid, however, is \$120 for regular aid and attendance. For

Table 3.—Recommended and actual appropriations under programs administered by the Social Security Administration, fiscal years 1946-47 and 1947-48¹

Item	[In thousands]		
	Appropriations		
	1947-48		1946-47 actual
	Actual	Recommended in 1948 budget	
Total.....	\$758,937	\$753,831	\$754,506
Salaries and expenses ²	42,325	45,144	38,583
Grants to States, total.....	715,612	707,586	715,773
Unemployment insurance administration.....	65,612	57,586	58,109
Old-age assistance.....		502,119	
Aid to the blind.....		13,653	
Aid to dependent children.....	625,000	109,228	619,000
Maternal and child health services.....	11,000	11,000	\$11,000
Services for crippled children.....	7,500	7,500	\$7,500
Child welfare services.....	3,500	3,500	\$3,500
Emergency maternity and infant care.....	3,000	3,000	16,664
Reconversion unemployment benefits for seamen.....	900	994	
Department of Commerce, Bureau of the Census.....	100	107	150

¹ Excludes expenses incurred by the Treasury Department in administering title II of the Social Security Act and the Federal Insurance Contributions Act.

² Represents appropriations for salaries, traveling expenses, printing and binding, penalty mail, and miscellaneous expenses.

³ Represents maximum grants authorized by Social Security Act Amendments of 1946; actual appropriations were \$12,705,000, \$8,467,500, and \$4,127,500.

Table 4.—Federal appropriations and expenditures under Social Security Administration programs, by specified period, 1946-48

Item	[In thousands]			
	Fiscal year 1946-47		Fiscal year 1947-48	
	Appropriations ¹	Expenditures, July 1946 ²	Appropriations ¹	Expenditures, July 1947 ²
Total.....	\$1,180,088	\$132,122	\$1,301,037	\$132,461
Administrative expenses.....	38,733	2,999	42,425	5,441
Federal Security Agency, Social Security Administration ³	38,583	2,210	42,325	4,458
Department of Commerce, Bureau of the Census.....	150	14	100	10
Department of the Treasury ⁴	(⁵)	775	(⁵)	974
Grants to States.....	715,773	95,790	715,612	87,707
Unemployment insurance administration.....	58,109	16,004	65,612	9,579
Old-age assistance.....		63,098		59,061
Aid to the blind.....		1,826		1,714
Aid to dependent children.....	619,000	12,753	625,000	16,679
Maternal and child health services.....	\$11,000	18	11,000	10
Services for crippled children.....	\$7,500	109	7,500	
Child welfare services.....	\$3,500	219	3,500	401
Emergency maternity and infant care.....	16,664	1,763	3,000	252
Benefit payments, old-age and survivors insurance.....	742,582	733,333	\$543,000	739,314
Reconversion unemployment benefits for seamen.....			900	(⁵)

¹ Excludes unexpended balance of appropriations for preceding fiscal year.

² Includes expenditures from unexpended balance of appropriations for preceding fiscal year.

³ Appropriations and expenditures for salaries and allotments, and expenditures for printing and binding, penalty mail, and traveling expenses.

⁴ Amounts expended by the Treasury in administering title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of the Treasury.

⁵ Not available because not separated from appropriations for other purposes.

⁶ Maximum grants authorized by the Social Security Act Amendments of 1946; actual appropriations were \$12,705,000, \$8,467,500, and \$4,127,500.

⁷ Actual payments from old-age and survivors insurance trust fund.

⁸ Estimated expenditures as shown in 1947-48 budget.

⁹ Not available.

Source: Federal appropriation acts and 1947-48 budget (appropriations); *Daily Statement of the U. S. Treasury* and reports from administrative agencies (expenditures).

veterans of the Spanish-American War and other campaigns in that period the minimum non-service-connected pension is \$17.28, while the maximum is \$120 except when the pension is based on certain service in the Moro Province, for which the maximum is \$103.68. The minimum non-service-connected pension for widows of Civil War veterans is now \$36, the maximum \$60. For widows in the Spanish-American War group, non-service-connected pensions range from \$48 to \$60. For both groups, these amounts are increased by \$7.20 for each dependent child.

Social Security Financing, 1946-47 and 1947-48

Appropriations and Expenditures

Appropriations under programs administered by the Social Security Administration for the fiscal year 1947-48 amounted to \$759 million, of which \$716 million, or 94 percent, was earmarked for grants to States. Of the latter amount, \$625 million was for the three special types of assistance, \$66 million for unemployment insurance administration, and \$25 million for the four maternal and child health and welfare programs. The amounts appropriated for the various grant programs are equal to, or slightly larger than, those in the preceding year except for the emergency maternity and infant care program, for which \$3 million was appropriated as compared with \$17 million in 1946-47 (table 3). Liquidation of that program was scheduled to begin in July 1947. The amount appropriated for salaries and other expenses of the Social Security Administration, \$42 million, was \$4 million more than that for 1946-47. Included for the first time was an item of \$900,000 for re-conversion benefits for seamen under title XIII of the Social Security Act.

Legislation passed by the Eightieth Congress in July continues throughout 1948 and 1949 the present tax rate of 1 percent each on employees and employers for old-age and survivors insurance. As a result of the freezing of the rate, Federal insurance contributions for the fiscal year 1947-48 are estimated at \$1.5 billion. Had the rate increased to 2½ percent each on em-

ployers and employees, as scheduled, contributions were expected to reach \$2.0 billion.

Total Federal expenditures for all governmental functions for 1947-48 are estimated at \$37 billion in the President's review of the budget, released August 20. Of this amount, \$10.4 billion is earmarked for national defense and related activities, \$7.5 billion for the Veterans Administration, \$5.1 billion for interest on the public debt, \$2.1 billion for refunds of taxes and duties, and \$4.3 billion for international finance. These items aggregate \$29.4 billion, or 79 percent of the total. The remaining \$7.6 billion is to be expended for other normal peacetime functions of the Federal Government, and of this amount the cash expenditures under Social Security Administration programs are expected to absorb more than 25 percent. The total cash outgo under these programs is estimated to be approximately \$2 billion, representing the appropriation of \$759 million for

grants to States and administrative expenses plus withdrawals by States from reserves in the Federal unemployment trust fund and benefit payments for old-age and survivors insurance from its trust fund. As total Federal expenditures decline from wartime peaks, the importance of expenditures under the social security programs becomes relatively greater. In the fiscal year 1940-41, expenditures for these purposes represented 7.4 percent of all Federal expenditures for governmental functions. During the war this ratio declined to less than 1 percent, but in the fiscal year 1945-46 it rose to 3.0 percent and in 1946-47, to 5.1 percent, and it is expected to be 5.4 percent in 1947-48.

Federal Grants to States

Federal grants to States under the Social Security Act, on a checks-issued basis, amounted to \$724 million in 1946-47 (table 6). Of this sum, \$516 million (71 percent) was for old-age assistance, \$113 million (16 percent)

Table 5.—Contributions and taxes under selected social insurance and related programs, by specified period, 1945-47

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions ¹	Federal civil-service contributions ²	Taxes on carriers and their employees	State unemployment contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions
Fiscal year:						
1945-46.....	\$1,238,218	\$528,049	\$282,610	\$1,009,091	\$179,930	\$129,126
1946-47.....	1,459,492	481,448	380,057	1,001,504	184,823	141,750
1946						
July.....	62,317	244,223	2,257	95,266	2,245	65
August.....	284,345	23,617	7,617	154,956	9,998	786
September.....	8,339	20,234	75,540	5,510	1,145	35,164
October.....	69,952	16,410	2,137	92,214	2,213	138
November.....	276,193	23,754	4,720	110,690	9,325	1,159
December.....	7,185	23,028	77,772	10,097	789	34,776
1947						
January.....	42,263	21,551	1,499	91,516	14,399	29
February.....	266,183	21,218	4,927	125,902	115,847	1,137
March.....	25,377	20,653	76,784	6,286	12,044	34,175
April.....	69,005	23,936	2,608	110,021	3,548	351
May.....	340,382	19,761	12,185	191,462	11,924	1,481
June.....	7,950	23,064	112,011	7,584	1,347	32,487
July.....	72,390	16,422	5,997	117,366	2,054	104

¹ Represents contributions of employees and employers in employments covered by old-age and survivors insurance.

² Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability funds; in recent years Government contributions are made in one month for the entire fiscal year.

³ Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, through April 1946, contributions from employees in 4 States; employee contributions beginning May 21, 1946, in California and

beginning July 1, 1946, in Rhode Island, are deposited in the respective State sickness insurance funds. Data reported by State agencies; corrected to Sept. 5, 1947.

⁴ Represents taxes paid by employers under the Federal Unemployment Tax Act.

⁵ Represents contributions of \$21.5 million from employees, and contributions for fiscal year 1946-47 of \$22.5 million from the Federal Government and of \$1.2 million from the District of Columbia for certain District Government employees.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

for aid to dependent children, \$15 million (2 percent) for aid to the blind, \$60 million (8 percent) for unemployment insurance administration, and \$20 million (3 percent) for maternal and child health and welfare services.

The \$724 million granted to States was 48 percent more than in 1945-46. All programs shared in the increase, but in varying degree. The increases

ranged from 8 percent for unemployment insurance administration to 94 percent for aid to dependent children. For the three special public assistance programs combined (old-age assistance, aid to dependent children, and aid to the blind) the rise was 53 percent, and for the three programs administered by the Children's Bureau (maternal and child health services, services for crippled children, and

child welfare services) it was 75 percent. The Virgin Islands qualified for Federal grants for the first time during the fiscal year 1946-47; its participation, like that of Puerto Rico, was limited to the maternal and child health and welfare programs.

The largest absolute increase in grants to States in 1946-47 over those in 1945-46 was for the three special public assistance programs (\$223 mil-

Table 6.—Federal grants to States under the Social Security Act: Checks issued by the Treasury Department in the fiscal years 1945-46 and 1946-47

[In thousands]

State	Fiscal year 1945-46, total	Fiscal year 1946-47							
		Total	Old-age assistance	Aid to dependent children	Aid to the blind	Unem- ployment insurance adminis- tration	Maternal and child health services	Services for crippled children	Child welfare services
Total.....	\$488,531.3	\$724,153.2	\$515,706.8	\$113,398.6	\$14,939.6	\$59,996.1	\$10,672.4	\$7,429.9	\$2,009.9
Alabama.....	5,215.7	10,403.5	6,860.2	1,939.3	152.2	771.7	353.4	232.9	93.8
Alaska.....	455.2	809.5	349.5	67.4	115.8	120.9	135.7	135.7	20.2
Arizona.....	2,959.3	4,372.6	2,931.5	760.3	177.5	268.4	67.2	145.6	22.1
Arkansas.....	4,034.0	7,050.1	4,445.5	1,401.7	220.2	562.6	217.9	149.9	52.4
California.....	45,794.4	66,718.0	32,887.8	3,553.7	2,016.4	7,338.9	365.9	401.9	53.4
Colorado.....	9,846.9	14,183.2	12,026.4	1,496.8	130.5	222.1	173.4	131.3	12.7
Connecticut.....	4,869.3	5,903.7	3,596.0	955.6	36.2	981.5	171.8	143.7	18.9
Delaware.....	455.2	566.1	191.9	111.8	23.6	148.8	43.1	29.4	17.4
District of Columbia.....	1,161.2	1,790.5	577.9	434.8	54.7	377.2	134.5	192.0	19.4
Florida.....	10,461.3	16,216.9	12,217.5	2,205.9	603.2	579.5	316.4	280.6	13.8
Georgia.....	6,981.1	13,208.9	9,959.3	1,570.5	354.7	765.0	308.2	140.6	50.6
Hawaii.....	559.1	1,318.4	470.7	459.6	22.7	117.0	151.8	87.2	9.5
Idaho.....	2,292.9	3,895.5	2,822.2	582.4	62.0	259.7	96.4	52.0	18.7
Illinois.....	35,441.4	43,280.1	30,304.1	6,917.2	1,306.2	4,001.6	200.7	30.4	36.0
Indiana.....	12,109.1	16,781.4	12,443.9	2,491.0	485.0	1,078.9	157.5	89.1	36.0
Iowa.....	9,874.8	13,891.2	11,768.9	1,128.2	349.2	368.2	90.1	136.0	50.6
Kansas.....	6,395.9	10,484.2	7,955.8	1,442.6	297.2	531.3	193.0	49.0	15.2
Kentucky.....	4,870.1	9,577.9	5,980.2	2,223.1	228.5	511.9	328.0	231.7	74.6
Louisiana.....	7,715.8	12,538.0	7,600.6	3,092.2	291.9	969.3	407.9	127.5	48.6
Maine.....	3,484.7	4,985.2	3,622.6	639.8	182.0	319.7	113.1	81.6	26.4
Maryland.....	3,987.8	5,633.4	2,663.5	1,533.7	116.1	964.0	215.8	122.1	38.2
Massachusetts.....	20,835.8	31,075.0	24,908.0	2,816.1	323.3	2,587.8	248.8	167.2	23.9
Michigan.....	24,886.0	31,653.2	21,612.4	5,770.6	343.8	3,945.7	276.1	233.9	70.8
Minnesota.....	11,667.2	15,309.1	12,183.3	1,856.7	258.9	873.0	116.0	171.4	49.8
Mississippi.....	3,781.1	7,445.3	5,084.6	1,029.6	353.2	339.7	362.2	194.0	61.9
Missouri.....	21,190.8	31,261.5	25,006.3	4,760.2	(¹)	1,125.3	173.0	140.3	56.4
Montana.....	2,646.3	3,583.2	2,638.4	489.7	108.0	228.7	56.2	32.7	29.4
Nebraska.....	5,144.8	7,693.2	6,296.2	894.7	118.1	182.6	109.2	85.1	17.3
Nevada.....	684.9	859.3	601.4	(¹)	(¹)	135.4	42.5	60.6	16.4
New Hampshire.....	1,696.7	2,339.8	1,570.9	298.1	74.4	226.1	90.5	52.2	27.6
New Jersey.....	7,603.6	10,731.6	5,919.8	1,362.0	184.1	2,903.6	161.3	176.4	24.4
New Mexico.....	1,920.9	3,507.1	1,906.6	1,032.0	73.3	171.0	200.8	74.8	28.6
New York.....	37,244.9	53,821.8	30,046.2	13,075.6	1,074.0	9,013.9	406.4	153.2	62.5
North Carolina.....	4,919.8	8,151.3	4,496.1	1,740.3	512.6	840.6	275.3	205.4	81.1
North Dakota.....	1,989.4	2,975.6	2,051.6	577.3	33.2	97.8	106.8	90.5	18.5
Ohio.....	28,084.0	35,250.6	28,209.6	3,018.2	800.3	2,755.4	226.5	182.4	58.3
Oklahoma.....	21,393.3	36,951.8	27,189.3	8,133.2	685.3	578.0	173.4	157.9	34.7
Oregon.....	5,853.1	8,328.5	6,369.3	751.0	113.4	847.1	106.4	114.4	26.9
Pennsylvania.....	20,064.5	38,999.4	20,350.0	12,751.4	(¹)	6,217.1	373.4	209.9	91.6
Puerto Rico.....	318.6	661.1	(¹)	(¹)	(¹)	(¹)	428.6	173.9	58.6
Rhode Island.....	2,414.0	3,080.0	1,863.4	662.3	29.5	368.4	54.5	86.8	15.1
South Carolina.....	3,519.8	6,575.9	4,296.2	1,105.9	212.6	358.5	324.8	220.1	57.9
South Dakota.....	2,327.1	3,708.7	2,852.4	609.7	47.2	87.8	23.6	64.4	23.6
Tennessee.....	6,670.5	11,618.0	6,542.2	3,525.5	298.5	847.9	240.9	119.8	43.2
Texas.....	28,430.1	46,923.1	39,833.4	3,322.2	1,203.3	1,773.4	493.0	215.8	82.0
Utah.....	3,637.9	5,310.4	3,838.9	880.1	42.6	305.9	96.6	126.1	20.2
Vermont.....	1,125.3	1,576.2	1,030.2	210.5	48.0	161.4	74.5	35.2	16.4
Virginia.....	3,083.7	4,518.2	2,063.1	1,128.6	178.1	543.3	381.8	185.1	38.2
Virgin Islands.....	(²)	49.8	(²)	(²)	(²)	(²)	26.2	13.6	10.0
Washington.....	15,114.8	24,836.1	20,625.4	2,036.0	212.6	1,562.8	207.6	168.8	21.0
West Virginia.....	3,903.1	6,153.1	2,682.0	2,214.0	129.7	649.9	212.3	197.8	67.5
Wisconsin.....	10,683.9	14,047.9	10,488.0	2,190.0	336.4	659.2	185.7	135.0	53.6
Wyoming.....	932.6	1,539.1	1,169.8	137.4	35.2	132.7	29.7	24.8	9.6

¹ Includes \$124,665 to California for public health work, granted in August 1945 but charged to the appropriation for the preceding fiscal year.

² Does not administer aid to the blind.

³ No plan approved by the Social Security Administration.

Source: Compiled from data furnished by the Bureau of Accounts, Treasury Department.

lion). Legislative changes, effective October 1946, raised the Federal matching maximums on all three programs and also increased the Federal

share of payments within the maximums. These provisions, scheduled to terminate at the end of 1947, have been extended to June 30, 1950.

Benefit Payments

Monthly benefits under old-age and survivors insurance have increased

Table 7.—Status of the old-age and survivors insurance trust fund, by specified period, 1937-47

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund ¹	Interest received	Benefit payments	Administrative expenses	Net total of U. S. Government securities acquired ²	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative, January 1937-July 1947	\$9,791,396	\$839,808	\$1,568,892	\$235,012	\$8,700,334	\$54,555	\$72,412	\$8,827,301
Fiscal year:								
1945-46	1,238,218	147,766	320,510	37,427	1,002,453	49,167	43,527	7,641,428
1946-47	1,459,492	163,466	425,582	40,788	1,193,600	48,376	7,305	8,798,015
1946								
July	62,317		33,333	995		56,133	64,548	7,669,416
August	284,345		34,553	3,680		52,828	313,966	7,915,528
September	8,339	9,242	33,407	2,890	290,000	56,622	1,456	7,896,812
October	60,952	60	33,832	3,679	-10,000	46,303	54,273	7,929,310
November	276,193		33,529	3,268		44,652	295,320	8,168,707
December	7,185	11,238	33,587	3,741	250,000	51,845	19,222	8,149,801
1947								
January	42,263	33,665	34,164	4,019		52,393	56,420	8,187,547
February	266,183		35,574	3,905		51,597	283,920	8,414,252
March	25,377	9,242	37,138	3,927	240,000	48,306	40,766	8,407,806
April	69,005		38,817	3,767		46,880	68,612	8,434,226
May	340,382		38,651	3,327		53,322	360,574	8,732,630
June	7,950	100,020	38,995	3,590	423,600	48,376	7,305	8,798,015
July	72,390	64	39,314	3,854	-42,000	54,555	72,412	8,827,301

¹ Beginning July 1940, trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.

Source: *Daily Statement of the U. S. Treasury.*

² Includes accrued interest; minus figures represent net total of securities redeemed.

Table 8.—Status of the unemployment trust fund, by specified period, 1936-47

[In thousands]

Period	Total assets at end of period	Net total of U. S. Government securities acquired ¹	Unexpended balances at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest credited	Withdrawals ²	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period ³
Cumulative, January 1936-July 1947	\$7,823,505	\$7,797,000	\$26,505	\$10,594,597	\$729,296	\$4,367,206	\$6,956,742	\$746,356	\$62,741	\$115,953	\$866,764
Fiscal year:											
1945-46	7,449,120	101,827	40,120	1,009,909	130,373	1,128,720	6,690,672	116,214	13,220	17,197	758,448
1946-47	7,869,044	443,000	17,044	1,005,273	131,419	817,817	7,009,547	127,576	15,469	51,657	859,498
1946											
July	7,409,916	-50,000	50,916	40,043	25	83,915	6,646,825	58	3	4,744	763,091
August	7,535,267	135,000	41,267	207,952		80,418	6,774,359	740		2,924	760,907
September	7,515,467	-5,000	26,467	8,377	3,434	59,870	6,726,301	31,616	375	3,733	789,166
October	7,491,752	-25,000	27,752	42,045	161	62,357	6,706,150	124	18	3,794	785,602
November	7,591,949	100,000	27,949	154,350		51,620	6,808,880	1,042		3,576	783,069
December	7,685,255		21,255	16,824	4,603	55,367	6,774,940	31,299	522	4,597	810,315
1947											
January	7,609,624	15,000	30,624	37,189	56,708	70,436	6,798,401	28	6,597	5,756	811,223
February	7,714,173	100,000	35,173	173,982		65,416	6,906,967	1,022		5,132	807,206
March	7,683,489	-25,000	29,489	14,964	3,449	74,950	6,850,429	30,758	401	5,342	833,060
April	7,650,124	-25,000	21,124	42,575	212	71,141	6,822,075	317	25	5,353	828,049
May	7,831,181	175,000	27,181	249,282		65,811	7,005,546	1,332		3,803	825,635
June	7,869,044	48,000	17,044	17,690	62,827	76,516	7,009,547	29,239	7,528	2,904	859,498
July	7,823,505	-55,000	26,505	39,070	22	91,897	6,956,742	94	3	2,481	866,764

¹ Includes accrued interest; minus figures represent net total of securities redeemed.

² Includes transfers from State accounts to railroad unemployment insurance account amounting to \$107,161,000.

³ Includes transfers from railroad unemployment insurance administration fund amounting to \$56,864,000.

⁴ Includes withdrawals of \$15,200,000 for disability insurance benefits.

Source: *Daily Statement of the U. S. Treasury.*

each year since the beginning of the program in 1940, as larger proportions of the population have become eligible. Payments have risen consistently and at an increasing rate from \$64 million in the fiscal year 1940-41 to \$426 million in 1946-47.

Benefit payments for unemployment insurance, on the other hand, rise and dip with every fluctuation in the general economic situation. With-

drawals by States from the Federal unemployment trust fund dropped from \$537 million in the year before the war (1940-41) to less than \$100 million in the last 2 years of war and then shot up with reconversion unemployment to \$1,129 million in 1945-46. In 1946-47, as the national economy was returning to more normal production and employment levels, withdrawals declined to \$818 million.

Recent Publications in the Field of Social Security*

General

BATSON, EDWARD. *Social Security and the Coloured People*. Johannesburg: South African Institute of Race Relations, 1946. 10 pp. 1s. Comments on the economic conditions of the colored population of South Africa and the adequacy of benefits under the proposed social insurance program.

BUSTOS A., JULIO. "La Previsión y la Medicina Social Chilena en 1946." *Previsión Social*, Santiago de Chile, Vol. 14, Jan.-Mar. 1947, pp. 1-39.

The Director General of the Chilean social insurance department reviews the operation of the social insurance program in 1946. Includes statistics on beneficiaries and finances.

COLCORD, JOHANNA C. *Your Community: Its Provisions for Health, Education, Safety, and Welfare*. Revised by Donald S. Howard. New York: Russell Sage Foundation, 1947. 263 pp. \$1.50.

The third edition of a work, written for the layman and first published in 1939, revised to take account of recent developments in community services and of changing problems.

COMMITTEE ON A FEDERAL DEPARTMENT OF HEALTH, EDUCATION, AND SECURITY. *A Report* . . . Washington: Amer-

ican Council on Education, 1947. 58 pp. 50 cents.

Includes the Committee's recommendations for the establishment of a department of health, education, and security. The Committee, which was composed of experts from the three fields and of representatives of the general public, was sponsored by the American Council on Education and the National Social Welfare Assembly. The report reviews the development of the idea of a Federal department, examines the arguments for and against such a department, and considers its functions.

FINLAND. MINISTRY FOR SOCIAL AFFAIRS. *Social Legislation and Work in Finland*. Helsinki: The Ministry, 1946. 171 pp.

Includes a description of programs covering old-age, disability, and unemployment insurance, child welfare, family allowances, voluntary benefit funds, and related labor legislation.

KANIEVSKY, I. *Social Policy and Social Insurance in Palestine*. Tel Aviv, Palestine: General Federation of Jewish Labor in Palestine, 1947. 44 pp.

An outline of health, invalidity, unemployment, old-age, widows', and orphans' benefits developed and maintained by the members of the General Federation of Jewish Labor.

LADER, LAWRENCE. "Your Stake in Social Security." *Coronet*, Chicago, Vol. 22, June 1947, pp. 48-53. 25 cents.

Emphasizes the importance of the social security program.

LAROCHE, PIERRE. "The French Plan for Social Security." *National Insurance Gazette*, London, Vol. 36,

July 3, 1947, pp. 304-305; July 10, 1947, pp. 316-317. 6d. each issue.

Information by the Director-General of Social Security in the French Ministry of Labor on the development, organization, benefits, and financing of their social insurance program.

SEJHAR, JAN, Editor. *Towards a Better Life; Social Welfare in Czechoslovakia*. Prague: Orbis, 1947. 52 pp. Discusses postwar changes in benefits and in the organization of the social insurance program; includes material on wage and labor legislation, which is administered by the Ministry of Social Affairs.

SHAFFER, ALICE. "The First Session of the Social Commission." *Social Service Review*, Chicago, Vol. 21, June 1947, pp. 171-175. \$1.50.

"Social Insurance and Welfare in Eire." *Ministry of Labour Gazette*, London, Vol. 55, June 1947, p. 191. 6d.

Information on the supplementary cash benefits available to persons entitled to unemployment benefits and assistance, national health insurance benefits, and old-age, blind, and widows' and orphans' benefits.

SULZBACH, WALTER. *German Experience with Social Insurance*. New York: National Industrial Conference Board, 1947. 134 pp. (Studies in Individual and Collective Security No. 2.) \$1.

Emphasizes the economic and social consequences of the German social insurance program.

UNION OF SOUTH AFRICA. *Summary of Social Services in Operation in the Union of South Africa*. Pretoria: The Union, 1947. 21 pp. Processed. Covers unemployment insurance, old-age and blind persons' pensions, widows' and orphans' benefits, medical and health services, family allowances, and workmen's compensation.

U. S. DEPARTMENT OF COMMERCE. BUREAU OF FOREIGN AND DOMESTIC COMMERCE. NATIONAL INCOME DIVISION. *National Income and Product Statistics of the United States, 1929-46*. Washington: U. S. Govt. Print. Off., 1947. 54 pp. (Supplement to the *Survey of Current Business*, July 1947.) 25 cents.

U. S. PRESIDENT. *The Midyear Economic Report of the President . . . to the Congress*, July 21, 1947. Washington: U. S. Govt. Print. Off., 1947. 82 pp. (80th Cong., 1st sess., H. Doc. 409.)

A survey, with detailed statistical tables appended, of employment, production, consumer income and expenditures, prices, and related data.

*The inclusion of prices of publications in this list is intended as a service to the reader, but any orders must be directed to publishers or booksellers and not to the Social Security Administration or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Retirement and Old Age

"The Aged and Their Problems." *Public Welfare in Indiana*, Indianapolis, Vol. 57, June 1947, pp. 3-17.

A series of articles discussing the economic and physical problems of the aged and the development of resources for meeting them.

BRONSON, DORRANCE C. "Pending Amendments to the Federal Civil Service Retirement System." *American Economic Security*, Washington, Vol. 4, June-July 1947, pp. 7-13. 15 cents.

Comments on proposed changes and their cost and effect on existing social security legislation.

DUNCKEL, W. B. "Trends in Bank Employee Pensions." *Banking*, New York, Vol. 40, Aug. 1947, pp. 42-43 ff. 35 cents.

LAWTON, GEORGE, and STEWART, MAXWELL S. *When You Grow Older*. New York: Public Affairs Committee, 1947. 31 pp. (Public Affairs Pamphlet No. 131.) 20 cents.

An informal discussion of the psychological and practical aspects of retirement.

MUNICIPAL FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA. COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION. *Proceedings . . . 1946*. Chicago: The Association, 1946. 42 pp. Processed. \$1.

Includes Comparative Benefits of Social Security and Retirement Plans, by A. G. Gabriel, and Coordination of Retirement Plans With Social Security Act, by John B. St. John.

"Social Insurance in the Soviet Union." *International Labour Review*, Geneva, Vol. 55, Mar.-Apr. 1947, pp. 261-273. 50 cents.

An outline of the Russian social insurance program, indicating organization, administration, scope, financing, and benefits.

"Social Insurance in Yugoslavia." *International Labour Review*, Geneva, Vol. 55, Mar.-Apr. 1947, pp. 312-314. 50 cents.

The social insurance law which came into force on January 1, 1947, covers sickness, maternity, invalidity, old age, death, and industrial accidents for all wage earners.

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Employment Security

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Geneva: The Office, 1947. 132 pp. (International Labor Conference, Thirtieth Session, Geneva, 1947. Report V (2).) \$1.75.

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Comments on the causes and extent of poverty in Puerto Rico and urges the extension of the Social Security Act to the Island.

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Describes the plan's administration, benefits, and method of paying the physicians.

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Appraisal of an experiment in measuring the health status and medical needs of a selected group of farm families.

IRONS, ERNEST E. "Medicine and Economics." *Journal of the American Medical Association*, Chicago, Vol. 134, July 19, 1947, pp. 1021-1023. 25 cents.

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"Maternity Benefit Acts; Reports for Year 1945." *Indian Labour Gazette*, Delhi, Vol. 4, Feb. 1947, pp. 325-327.

Data on the number and amount of benefits.

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A series of articles, reprinted from the *New England Journal of Medicine*, dealing with the organization of medical practice and its social and economic aspects. The authors include Dean A. Clark, Nathaniel W. Faxon, Nathan Sinai, Franz Goldmann, Louis H. Bauer, Allan M. Butler, and Edward S. Rogers.

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An outline and explanation of the National Health Service Act and the benefits available under it.

PLUMLEY, H. LADD. *Budgeting the Costs of Illness*. New York: National Industrial Conference Board, 1947. 66 pp. (Studies in Individual and Collective Security No. 1.) 50 cents.

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PREST, WILFRED. "Health Services in Australia." *Public Affairs*, Halifax, Nova Scotia, Vol. 10, June 1947, pp. 163-170. 30 cents.

A survey of the health and hospital services provided by the Commonwealth and State Governments. Discusses briefly the financing of the pro-

grams and the number of people served.

ROSENFELD, LEONARD S. "Province-Wide Hospitalization in Saskatchewan." *Public Affairs*, Halifax, Nova Scotia, Vol. 10, June 1947, pp. 157-163. 30 cents.

Outlines the benefits, eligibility conditions, and financing of the hospital insurance program inaugurated in Saskatchewan on January 1, 1947.

SHORTLEY, MICHAEL J. *July 6th Is Independence Day for Disabled Civilians*. Washington: Office of Vocational Rehabilitation, 1947. 33 pp. A summary of the activities and ac-

complishments of the Office of Vocational Rehabilitation on its fourth anniversary.

SMILEY, DEAN F. "Health Centers Under the Hospital Construction Act." *Journal of the American Medical Association*, Chicago, Vol. 134, Aug. 2, 1947, pp. 1179-1181. 25 cents.

Examines the functions of a health center.

U. S. RAILROAD RETIREMENT BOARD. *Work Injuries in the Railroad Industry, 1938-40*. Chicago: The Board, 1947. 2 vols. Processed.

An analysis of the legal provisions governing payments to injured rail-

road workers and of the incidence of railroad accidents, showing the number and type of accidents, amount of cash payments to injured workmen, and medical and administrative costs. Includes a discussion of alternative proposals.

VAN STEENWYK, E. A. "Blue Cross Payments Pose a Problem in Co-operation." *Modern Hospital*, Chicago, Vol. 69, July 1947, pp. 71-76. 35 cents.

Appraises the various methods in current practice and discusses the difficulties of establishing a satisfactory schedule of Blue Cross payments to hospitals.

(Continued from page 2)

New Federal Security Administrator

Oscar R. Ewing was appointed Federal Security Administrator by President Truman on August 19. Watson B. Miller, whom Mr. Ewing succeeds in office, was named Commissioner of Immigration and Naturalization.

The new Administrator, a native of Greensburg, Indiana, was graduated from Indiana University in 1910 and

received his law degree from Harvard 3 years later. In 1917, after several years spent in teaching and practicing law, he entered the Army and became a captain in the Air Service, where he executed all contracts for the Army's then infant air force. Following his discharge from the Army in 1919, Mr. Ewing became associated with Charles Evans Hughes, later Chief Justice of the U. S. Supreme Court, and was a member of the law firm of Hughes, Schurman, and Dwight until its dissolution in 1937. He then became a law partner of Charles

Evans Hughes, Jr., former U. S. Solicitor General. In 1931 he took part in the Geneva Conference To Limit the Manufacture of Narcotics.

In May 1942, as Special Assistant to the U. S. Attorney General, he prosecuted the trial of the Silver Shirt leader, William Dudley Pelley, for sedition, and in March 1947 he headed the prosecution in the trials for treason of Douglas Chandler and Robert Best.

Mr. Ewing took the oath of office as Federal Security Administrator on August 27.

(Continued from page 26)

the worker enters covered employment, he and his dependents are eligible for medical and dental care for as long as 26 weeks. Specialist services, hospitalization, medicines, and optical appliances are included in the medical benefits. A single contribution also makes the currently insured worker eligible for cash sickness benefits amounting to two-thirds of wages for a maximum of 26 weeks. In maternity insurance, after 13 contributions have been paid, the insured woman worker receives medical care as necessary, plus two-thirds of her wage for 6 weeks before and 6 weeks after delivery.

From its earliest days the program has encountered a heavy demand for its services. The system of work accident insurance remained solvent, but the health and maternity program began to show a deficit within the first year. The Revolutionary Junta which took over the Govern-

ment in October 1945 met the situation by appropriating an additional 4.6 million bolivars²² for the period November 1945-June 1946. Approximately the same sum was allocated for the fiscal year ended June 30, 1947. The resulting scale of contributions is shown below as percentage of wages; when a change has taken place, the status before November 1945 appears in parentheses:

Source of contribution	Total	Work injuries	Health and maternity
Total.....	13.0 (9.0)	3.1 (2.6)	9.9 (6.4)
Worker.....	2.9	.0	2.9
Employer.....	5.2	2.3	2.9
Government.....	4.9 (.9)	.8 (.3)	4.1 (.6)

In the summer of 1947, two British actuaries went to Venezuela under of-

²² The exchange value of the bolivar is approximately 34 cents in United States currency.

ficial arrangements to study the system and make recommendations.

Administrative unification and centralization were achieved by Decree No. 239 (Apr. 6, 1946), which made the Venezuelan Institute of Social Insurance the sole authority for administering all branches of social insurance. This measure eliminates duplicate bodies—particularly the regional funds—which had existed as administrative agencies of the Central Institute. The finances of work accident insurance, however, remain distinct from those of the sickness and maternity program.

Possibilities for providing the insurance system with its own medical facilities have also been carefully explored. A modern hospital is being built in La Guaira, and a traumatological institute has been started in Caracas. Additions to municipal and national hospitals are being constructed for the use of insurance patients.

FEDERAL SECURITY AGENCY

Washington, D. C.

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Issues of the SOCIAL SECURITY YEARBOOK, an annual calendar-year supplement to the BULLETIN, are sold separately by the Superintendent of Documents as follows: 1939, 50 cents; 1940 and 1941, 70 cents each; 1942, 50 cents; 1943, out of print; 1944, 50 cents; and 1945, 75 cents.

Publications of the Social Security Administration

Analytical Notes Prepared in the Analysis Division,
Bureau of Old-Age and Survivors Insurance

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| No. 10 | Taxable Wages and Employment Under Old-Age and Survivors Insurance, 1937-43 | No. 28 | Value of Life Insurance in Force on the Lives of Primary Beneficiaries and Their Spouses |
| No. 11 | Age of Workers in Covered and Non-covered Employments | No. 30 | Living Arrangements of Old-Age and Survivors Insurance Beneficiaries in St. Louis |
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| No. 13 | A Method for Computing the Cost of Insurance Benefits for a Male Worker | No. 32 | Withdrawal of Older Workers From Covered Employment in 1941 and Entitlement to Benefits |
| No. 15 | Resources of Widows With Entitled Children | No. 33 | How Do the State Distributions of Benefit Payments Compare With Those of Tax Collections? |
| No. 16 | Comparative Equities of Various Groups Under Old-Age and Survivors Insurance | No. 34 | Death Rates Among Primary Beneficiaries |
| No. 17 | Recent Trends in Private Pension Plans | No. 35 | Living Arrangements of Old-Age and Survivors Insurance Beneficiaries in Middle-Sized and Large Cities |
| No. 18 | An Allocation of the Trust Fund Assets | No. 36 | Allocation of the Trust Fund Assets, December 31, 1944 |
| No. 19 | Family Responsibilities and the Labor Force Status of Women | No. 37 | Monthly Benefits in Force as of June 30, 1945, for Residents of Ten Metropolitan Areas |
| No. 20 | Regional Averages of Family Benefits Awarded, 1943 | No. 39 | Classification of Beneficiaries by Urban and Rural County of Residence |
| No. 22 | Increasing Significance of Currently Insured Status | No. 40 | Workers With Permanently Insured Status on January 1, 1947 |
| No. 23 | Subsequent Entitlements to Wife's and Widow's Benefits | No. 41 | Workers With Earnings of \$3,000 or More Under Old-Age and Survivors Insurance in 1944 |
| No. 25 | Effect of Wartime Increases in Taxable Wages on the Average Monthly Wage of Older Workers | | |
| No. 26 | Women in Covered Employment | | |
| No. 27 | Yearly Patterns of Work in Covered Employment, 1937-43 | | |

These processed notes on the operation of old-age and survivors insurance are available in limited quantities to research workers and interested organizations. Requests should be addressed to the Bureau of Old-Age and Survivors Insurance, Equitable Building, Baltimore 2, Md.
